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Editorial AS WE SEE IT

In Lisbon after the debacle in Paris, President Eisenhower asserted that "there is no reason to be dismayed or disheartened" but "we must tighten our belts, keep our chins up and each of us work a little harder for the great cause of peace with justice and freedom." Precisely how one "works a little harder" for this "great cause" the President naturally does not undertake to say in so brief a statement on so large and involved a subject, but it is, of course, evident that he had reference to the world-wide efforts of leading non-communist countries to meet the challenge of the followers of Marx and Lenin. The subject is in one form or another foremost in the minds of most observers at this time, and it would be well for the thoughtful man again to review in his own mind the nature of that conflict and the ways that are most likely to win it for the "free world."

It is evidently not sufficient to match or exceed the military strength of the Communist forces, or to keep abreast of or surpass them in the exploration of science and the development of technology, as important as these obviously are. There is a struggle under way in large portions of the globe for men's minds, and we have been directly and repeatedly challenged by the communists in the field of economics. In general, it would appear that we must outdo the communist world in the entire field of economics. We must prove again and again that we can out-produce any communist system, man for man, and that the output of our system is equitably distributed among those who are responsible for it, and do this not by vain argument—which is not likely to convince anyone—but by actual performance. This is our first and most vital task.

Two Good Reasons

It may seem strange to some that there could be any question about the outcome of such a contest or any need for troubling ourselves a great deal about it so outstandingly better is our record throughout history. There are at least two good reasons, how- (Continued on page 26)

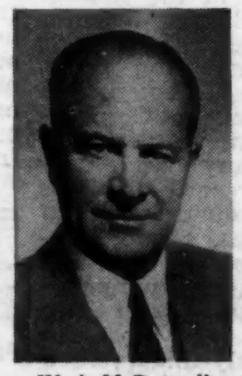
Making the Promise of the 1960's A Reality Instead of a Mirage

By William A. McDonnell,* *Chairman of the Board, Chamber of Commerce of the U. S., and Chairman of the Board, First National Bank in St. Louis*

Business spokesman does not question the fact that we can transmute the bright promise of the 1960's into reality but he does raise the question "are we willing to pay the price"? The banker details what the latter entails; calls on business to meet its leadership and citizenship responsibilities; enumerates problems we have to solve; and notes that for the first time our basic beliefs are being challenged on every front.

It seems to me that the decade of the 1960's is already one of the most remarkable in history, although it is only about four months old.

This is not because of anything specific that has happened since Jan. 1. Rather, it would seem to me, the distinguishing thing about this decade is the fact that so many millions of our people waited so long in almost breathless eagerness for its arrival. Almost like counting the days.



W. A. McDonnell

Now, of course, it is traditional to welcome a new year and expect better things from it, especially if it marks the beginning of a new decade. I suppose that even the most prosaic characters among us have some sense of exuberance on New Year's Eve. If nothing else, there is at least a feeling of special curiosity when you switch calendars.

But this time it was something different. Probably no decade in American history — certainly none during our time—ever had such a build-up in advance.

At least as far back as 1956, we began telling one another that the 1960's would be the most fabulous decade in history—economically and in almost every way. Speeches, articles and commentaries thundered into our ears about the Big Rock Candy Mountain days ahead. We were in such a dither of impatience for 1960 that we hardly gave the new year more than a passing handshake in 1957, 1958, and 1959.

To be sure, we did the usual things. We took our inventories, material and otherwise; we totted up our gains and losses, adopted new budgets and goals, and made our resolutions. But underlying that routine procedure there was a feeling that if we could just hang on until 1960, we would have the key to the gates of the promised land — a decade of utopia on earth — and all our major problems would evaporate. And in our enthusiasm we brought out all the superlatives in the book to characterize the bright new years ahead. These were to be the soaring, the sizzling, the sensational, the fabulous sixties.

A lot of that psychology is still with us. Nor am I saying that it is all to the bad. Optimism—optimism which is based on reliable soundings of the future—is an important, indeed a necessary, ingredient in economic growth.

We have many reasons to be confident of progress. The future is rich with promises. In the decade ahead, the nation and its economy will almost certainly experience substantial growth. Gross national product, now approximately $500 billion annually, will probably expand to about $750 billion in constant dollars by 1970. The present population of about 180 million people will probably increase to around 215 million. Average family income, currently a little less than $6,500 annually, is likely to exceed $8,500 in present purchasing power, in the next ten years. What these figures mean in the way of opportunities for American business to manufacture, sell, distribute and service more of everything, from swaddling clothes to coffins, is obvious.

In science and technology we can anticipate new and exciting breakthroughs and sweeping refinements — in aeronautics, (Continued on page 26)

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 30.

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

HARRY D. MILLER
Partner, Nugent & Igoe
East Orange, N. J.
Memberss New York Stock Exchange

Proctor Silex Corp.


Harry D. Miller

You may have heard the legend of the mouse swallowing the elephant. This was repeated in March of this year when Silex, a small but well-established houseware manufacturer, absorbed the venerable, solid Proctor & Schwartz, manufacturer of industrial equipment, and its very prosperous subsidiary Proctor Electric, which is best known for the "Mary Proctor" toaster, steam iron, ironing tables, etc. Since the latter companies were privately owned, there has been very little investment recognition to date of the merits of the new company. This may be due in part to the current slump in the appliance field. However, this company is really not in the appliance field, but in the smaller "housewares" field, a business which in the past has always proved to be depression proof. The most comparable company I can think of is Sunbeam Corporation, which is in very similar lines. This company has a very steady earnings record and was recently selling around $60 or 20 times 1959 earnings. Since Proctor Silex is selling at approximately 8 with conservative earnings projections this year of $1.20 per share, it is easy to recognize that this is a greatly-undervalued situation. Incidentally, this minimum earning estimate is despite a doubling of the 1960 advertising appropriation from $1,500,000 to $3,000,000.

However, the real story here is the growth potential. The two divisions of this company are the Proctor Silex line of small appliances and the Proctor & Schwartz industrial machinery and equipment. The electric housewares business is not considered to have growth until one considers the increase in family units each year due to population increase. Further, the improvement in standards of living will greatly broaden this market since there are many families lacking all but the most essential of electric housewares. The other factor is the constant research and product improvement on which Proctor Silex spends some $1,500,000 annually. This obsoletes present equipment and leads to a constant replacement market. Additionally it adds to this company's market penetration. Sales of toasters have increased 102% from 1956 to 1959 and iron sales have increased 623% during the same period. Proctor's share of the total toaster market increased from 16.7% in 1958 to 21.2% in 1959 and of the total iron business, from 8.2% to 13.2%! It is particularly significant to note that these increases were attained in direct competition with the so-called giants of the industry.

The other division, Proctor & Schwartz, is internationally known as a manufacturer of continuous automatic processing equipment for the process industries and is generally recognized as the world's largest manufacturer of industrial drying equipment. In the last five years they have also become nationally known as a producer of steel shelving and merchandising fixtures for super markets and self-service retail stores of all types. This division, in addition to two plants abroad in Scotland and Germany, has manufacturing facilities, either by ownership, license or other arrangement in practically every corner of the globe. Large sales have been made recently to Japan, to Russia and the iron curtain countries.

Most of the new Proctor equipment available today is the direct result of a continuous research and development program which has been a Proctor policy for many years. Proctor & Schwartz entered the spray drying field in 1954 and in a few short years has become a recognized supplier of continuous automatic units for such products as instant coffee, instant chocolate, detergents and various food and chemical products. The first spray dryer for processing a new product—instant starch—was installed by Proctor and they now have a revolutionary spray dryer development for handling materials in paste form. There has been a continued market for the enormous Proctor Dryers for synthetic rubber, both here and abroad. Continuous, automatic systems are at work processing corn flakes and other breakfast cereals for all the major manufacturers in the world; freezing 3,600 one-half gallon packages per hour of ice cream; freezing TV dinners at the average rate of 4,000 dinners per hour in each of the five freezers recently installed; drying charcoal briquettes for the growing outdoor cooking trade; drying titanium dioxide pigment for all the leading paint manufacturers.

A brief summary is in order at this point. The company has excellent aggressive management. It is international in scope. Due to the lines of business it is engaged in and its large research and development program, it has demonstrated very strong growth characteristics. The balance sheet is strong with net working capital of over $7,000,000 and a current ratio of 1.88 to 1. Management and their families own about 1,900,000 shares of the 2,400,000 shares outstanding. They have indicated that application will be made this year to list the stock on the New York Stock Exchange and that some dividend will be paid. If the stock were to sell at the same ratio to present earnings as that of its nearest competitor, it would be at 20 now. In my opinion this is a stock which can at least triple in value over the next two or three years and in which there is little or no downside risk.

A. RICHARD STERN
Security Analyst, San Diego, Calif.

Paramount Pictures Corporation


A. Richard Stern

For a number of years equities of motion picture companies have not enjoyed a high investment rating. Following record profit levels established during and immediately after World War II, earning power seriously deteriorated. Growth of the television industry, offering the public free entertainment at home, was the principal reason. During recent months this downward operating trend has been arrested due primarily to the higher quality of pictures released. In the meantime, the value of land owned by most large studios in the Los Angeles area increased materially, and, in addition, most of the major movie producing companies received substantial windfall profits in the form of the sale or lease of pre-1948 picture libraries to the television industry.

Paramount Pictures Corporation represents an intriguing situation within the industry. Its common stock is backed by substantial asset values and, aside from motion picture production, it has ventured into fields which could conceivably show worthwhile growth. Furthermore, it has pursued a unique financial policy in retiring nearly one-half of its capital stock since the time of its incorporation in 1949. On the average, this stock was purchased at levels well below current stated book values; whereas stated book values in turn are considerably below the true market valuation of the company's assets. This policy has had the effect of steadily increasing values underlying the remaining outstanding shares, and there is no indication that this stock buying policy will be discontinued. Approximately 1,683,000 shares of capital stock are now outstanding. It is of interest to note that in disposing of some of its assets during the past decade, such as Metropolitan Broadcasting Corp., foreign theatre holdings, certain short subjects, and its pre-1948 library, sales were made at values well above existing book values. For example, the investment in Metropolitan Broadcasting Corp. formerly carried on the books at $709,076 was sold in January, 1959 for $4 million. The pre-1948 film library which had been written down to one dollar was sold in February, 1958 to an affiliate of Music Corporation of America on the following basis: $10 million initial cash payment; $25 million guaranteed in specified instalments until January, 1970; and an additional contingent $15 million payable out of purchaser's receipts prior to December 31, 1973. (Firm contracts held by the purchaser more than cover the guaranteed purchase price and the overage is building toward the additional $15 million.) This contract should guarantee a substantial continuing flow of non-operating earnings over the next ten years. Another valuable windfall asset exists in the post-1948 library, but at this time it would be mere guesswork to estimate the value of this important asset.

Paramount acquired complete control of International Telemeter Corp. It was then merged into its

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(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

A Stock Market Appraisal

By Harry D. Comer,* *Partner, Paine, Webber, Jackson & Curtis New York City*

Answering his own question "what is going to happen to investor confidence?," Mr. Comer concludes that at present the STOCK market is perhaps the most inflated segment of the economy and the BOND market about the least inflated. His analysis of the market covers favorable, unfavorable and uncertain factors and adds up to a non-bullish diagnosis. Mr. Comer believes the market will continue its "rolling" movement, thus avoiding an old-fashioned bear market, and explains why best opportunities for capital gains exist in a bear market. Recommended are convertible bonds, and defensive common stock groups which the author identifies.

In the industrial stock averages the Bull Market ran about 10 years, from mid-1949 to mid-1959. In that time stock prices rose 350% (Standard & Poor's Industrials). Meanwhile, earnings per share rose only 43%. **Stated another way, in this big bull market stock prices rose eight times as much, percentagewise, as did earnings. That is a startling statement but it is true.** It is the basic reason for the growing concern over "where do we go from here?"

Harry D. Comer

The big bull market was generated mainly by a big rise in investor confidence, as measured by the rate at which investors were willing to capitalize earnings. When the bull market started, a dollar of earnings commanded a price below $6.00; ten years later the price per dollar of earnings had been bid up above $18.00.

Now the big question is this: **What is going to happen to investor confidence?** (Are investors going to continue aggressively to buy stocks at high price-earnings ratios?)

Stock Market Balance Sheet

Now, as at practically all times, there are a great number of both favorable and unfavorable factors affecting the stock market. As always, it is difficult to draw a hard and fast line between bullish and bearish influences. Some factors contain elements of both, and it is a matter of which element is emphasized by investors or prospective investors at a given time that determines the direction of the **net** effect, **up** or **down**, on stock prices. That is what makes the so-called science of economics so slippery. "**Now** you see it, and **now** you don't." Also, that is what makes stock market forecasting an **art** rather than a **science.**

I propose to draw up a balance sheet of the stock market, listing first the asset side, or the **favorable** factors, as I see them. Following that, I will cite the most important data on the liabilities side, or the unfavorable items. Then, after giving due weight to these various opposing forces, I shall come up with a summation showing that at present the preponderance of evidence is on the downside, and that further readjustment in the general market level is a real threat that should not be ignored.

My data include not only economic trends, but also an interpretation of the market's technical action which reveals changes in the psychology of investors.

Assets—Favorable Factors

(1) **Prosperity.** I include the prevailing general prosperity on the asset side of the stock market balance sheet because it is an important background factor. However, that does not necessarily forecast a continuation of a bull market in stocks. In fact, big bull markets habitually come to an end at a time of great prosperity. I believe that big swings in stock prices are of even greater psychological force than are other evidences of prosperity and of recession, and that stock trends have a great influence on businessmen's thinking and planning. For example, if the market continues on downward from here, I would expect that fact to have an adverse influence on the future trend of business.

(2) **Technological Advances.** Science pushes forward into new frontiers at an accelerating pace. New products contribute increasingly to the comfort of man as well as to sales and earnings of corporations.

Automation is still in its infancy and the future will see sensational developments in labor-saving, new sources of energy, increased productivity and profits for the successful enterprisers. Of course, industry must always be on guard against the pitfalls of obsolescence and decay. But, the fact remains that tremendous growth seems to lie ahead over the long-term due to man's increased knowledge and his ability to control his environment. To be successful, corporations must spend huge sums on Research to keep up with competition.

(3) **Consumer Spending High.** Estimates indicate that spending at retail in April set a new high, aided by favorable weather. Continuation at a high level would reflect consumer confidence and would spread optimism. (I will comment further upon high consumer income in relation to high personal debts when we get to the liabilities side.)

(4) **Corporate Earnings High.** Net incomes of leading companies in first quarter this year were about 5% above those a year ago. That fact gives some support to hopes that 1960 may set a new high record. However, there is real disappointment in the first

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Norfolk & Western Railway —Progressive & Prosperous

By **Dr. Ira U. Cobleigh,** *Enterprise Economist*

A review of recent developments on this line; and the outstanding earnings this well-managed road has been able to deliver.

The urge to merge was never more epidemic than in the railroad industry today. The Soo Line Railroad has just joined together three units in the Canadian Pacific family; Atlantic Coast Line and Seaboard are about to be welded; the Lackawanna and Erie are married; Chesapeake and Ohio and Baltimore and Ohio are talking things over. Only last December, Norfolk & Western, our topic for today, was merged with Virginian Railway; and is now discussing possible further fusion with the Nickel Plate. This is all an intensely logical trend—a major contribution to efficient transportation and to strengthening the financial positions and earning powers of railway systems.

The results of the merger of Norfolk & Western and Virginian are only beginning to show; and the $12 million a year rate of savings predicted will not be fully realized till the end of 1961. Even without reflecting, to any extent, these merger benefits, Norfolk & Western turned in a splendid result for 1959. Net income increased over 10% above 1958, to $60.7 million, and per share net rose from $7.18 to $8.10. Most significantly the Company carried through to net income, after taxes, 24.6% of operating revenues. This is not only the best performance in the entire railroad industry but represents a profit generating ratio superior to that of many major industrial companies. It is a remarkable tribute to effective cost control and total managerial efficiency.

Satisfactory as the foregoing figures are, Norfolk & Western expects to show further gains this year. Here are some of the property improvements, and operating changes calculated to produce them.

Improved Efficiency of Coal Haulage

Both the N & W and the Virginian line have had, for years, a huge eastbound coal traffic from the coal fields of West Virginia to Tidewater at Norfolk. But there are three mountain ranges to be crossed on the way, and over two of these—the Allegheny and the Blue Ridge Mountains—the grades of the Virginian lines are less steep. So by running eastbound coal trains over the former Virginian line from Roanoke to Abilene (avoiding the Blue Ridge Mountain grade of the N & W) a third more tonnage can now be hauled using about a third of the diesel engines formerly required. Further, by completing (around July 1), two new connections linking the Virginian lines, the Allegheny grade problem will be solved and 77% more coal tonnage can be carried with the same number of diesels used on the old N & W line. Moreover, at Norfolk, elimination of duplicating coal dumping facilities has been achieved by closing the Virginian coal piers and by dumping all Tidewater coal at the more efficient Lamberts Point facilities of N & W. This not only improves operating efficiency but permits mixing and blending to customers' specification of coal originated on both lines.

Since coal traffic has historically been so predominant in the N & W picture, we ought to spend a little more time on it.

Importance of Coal

The combined N & W-Virginian system in 1959 originated 58½ million tons of coal, making it the largest originator of bituminous coal traffic in the United States accounting for 14.3% of U. S. production. The heaviest customers are steel mills (N & W shipped over 3 million tons of coal to the steel industry in the first two months of 1960); electric utilities which accounted for 18% of the road's coal tonnage last year; export shipments with special emphasis on Japan. Last year over 3.3 million tons of N & W hauled coal went to Japan, and this business is scheduled to increase substantially in 1960.

To handle more efficiently this vital coal trade, N & W will start building (in August), in its own shops, 1,000 new 85-ton roller-bearing coal hopper cars.

Diversified Traffic Expansion

With no intention of slighting its coal business, N & W management has a definite program aimed at increasing general merchandise traffic to a point where it will equal coal traffic as a revenue producer. To that end it has added hundreds of new special purpose cars; 900 hopper cars for cement and other (sometimes) bagged products; flat cars for plasterboard, pulpwood and lumber; box cars for automobile transmissions and refrigerated ones for bakery products; and "damage free" box cars with special devices to prevent cargo damage. Two types of piggy-back truck trailer services are in operation, one involving N & W truck trailers delivered on and off; and the other involving trucking company trailers, with the trucking carrier handling its own unit deliveries on and off flat cars.

Altogether N & W now has a fleet of about 80,000 freight cars giving the road more ton per mile than any other major American railroad.

Further, in 1951, N & W handled but a meager amount of grain (172,000 tons) through its Norfolk Terminal. In 1959, however, this traffic had risen sevenfold to 1,233,000 tons and 1960 deliveries are running 40% over last year.

To augment and supplement these interesting tonnages N & W management has taken aggressive steps for creation of future business. It has strengthened its Industrial and Agricultural, and its Public Relations and Advertising Departments. It is engaging in close cooperation with private groups, civic clubs, local chambers of commerce, regional and state agencies for the attraction and location of new businesses along the line. N & W has further engaged a research organization to make a system-wide area development study designed to attract logical new industries to towns and cities in the N & W service areas. And, in cooperation with Virginian States Port Authority there are plans being made to build a new merchandise pier and handling facilities at Norfolk.

From the foregoing you will gather that the management team at N & W is among the most energetic in the business. It doesn't have to worry much about passenger business and is bearing down on those traffics that can be converted into significant net earnings.

Capitalization of N & W consists of about $201 million in total debt (including equipments), 909,608 shares of 4% ($25 par) preferred, 458,380 shares of 6% ($10 par) preferred and 7,345,865 shares of common. Cash position of N & W has consistently ranked among the strongest of American railways; and this after a cash outlay of over $460 million in capital improvement since the end of World War II.

While railroads have not been the market darlings in recent years, here's a rail equity that can stand the most searching analysis, and comparison. Whether viewed from the standpoint of balance sheet solvency, durability and expansion of earning power, efficiency of operations, earnings on invested capital, or general investment quality, this equity appears as a top-grade item. At 99 with an indicated $5 dividend, the yield is just above 5%; and shareholders should derive confidence from the fact that dividends have been paid without interruption since 1901; and that per share net for 1960 may reach $8.75.

McCabe Named Gov. of N.Y.S.E.

Keith Funston, President of the New York Stock Exchange, has announced the election of Thomas B. McCabe, President of Scott Paper Company, Chester, Pa., as a Public Governor of the Exchange.

Thomas B. McCabe

Mr. McCabe succeeds John D. Biggers, Chairman of the Libbey-Owens-Ford Glass Co., Toledo, Ohio, who is completing his third one-year term as a Public Governor. Other Public Governors are Thomas J. Watson, Jr., President of International Business Machines Corporation, New York City, and Dr. Courtney C. Brown, Dean of the Columbia University Graduate School of Business.

The office of Public Governor was created in 1938 to bring to the Exchange's Board a closer understanding of the public viewpoint and interest. The Board is composed of 30 other Governors representing the Exchange Community, including the Chairman and the President of the Exchange.

Mr. McCabe has been President of Scott Paper since 1927 and has served in other prominent positions in industry and government, including the Chairmanship of the Board of Governors of the Federal Reserve System from 1948 to 1951. He was the recipient, in 1946, of a Presidential citation, the Award of Merit, for his World War II services as Deputy Lend-Lease Administrator and Army-Navy Liquidation Commissioner.

Edwards & Hanly Appoint Roach

HEMPSTEAD, N. Y. — Edwards & Hanly, 234 Greenwich Street, members of the New York Stock Exchange, have appointed Alfred J. Roach as General Manager. Mr. Roach has been Sales Manager of the firm for a number of years and is well-known in the investment field.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

The May issue of Federal Reserve Bank Bulletin summarizes general business and financial conditions as follows:

Consumer buying expanded broadly in April. Industrial output and factory employment changed little. Total employment rose and unemployment declined. From mid-April to mid-May commodity prices and money rates were relatively stable. Bank credit increased substantially reflecting mainly Treasury financing.

Industrial Production

Increased output of consumer goods in April offset a further curtailment in steel and the Board's total index of industrial production was unchanged from the March rate of 109% of the 1957 average. Output of consumer goods had been reduced in February and March from the sharply advanced rate reached in January in relation to the level of retail sales. In April, however, retail sales increased to a new high and consumer goods output recovered somewhat. The April rate of consumer goods output was 4% above last year's average level and the volume of retail sales was larger by about the same amount.

Auto production rose 3% in April, following a decline of one-sixth in February and March. Output schedules for May indicate some further moderate gains. Furniture, television, and radios increased in April, and apparel and other nondurable goods production expanded further. Output of appliances was reduced about one-sixth during the first quarter to levels that were in closer balance with retail sales. Activity in most business equipment industries was maintained at high levels.

Steel mill operations were curtailed from 92% of capacity in March to 80% in April, and in mid-May the rate was down to 74%. New orders for steel were reported to be below current production as steel consuming industries reduced further their demands for inventories. Output of construction materials generally expanded in April and production of coal and various other nondurable materials also increased.

Construction

Nonresidential building contracts increased sharply in March, while residential contracts continued substantially below a year earlier. Reflecting mainly decreases in residential activity, new construction put in place in April was estimated to have declined to a seasonally adjusted annual rate of $52.4 billion, 7% below a year earlier. Private housing starts changed little at an annual rate of 1.14 million units.

Employment

Total employment increased in April to a new high level and the unemployment rate declined to 5% from 5.4% in March. The number unemployed, 3.7 million, was the same as a year earlier. Construction employment recovered in April from the reduced March level and finance and State and local government employment continued upward. Manufacturing employment was unchanged. The average workweek declined somewhat reflecting mainly seasonal influences. Average hourly and weekly earnings at factories were also somewhat lower.

Distribution

Retail sales increased 3% further in April and were 5% above last year's average volume. New auto sales continued to expand and, including imports, were at an annual rate of about 7 million units. Sales of household goods and apparel increased sharply from the reduced volume in the first quarter to a record rate in April and early May. Stocks of appliances and autos remained near earlier advanced levels.

Commodity Prices

Industrial commodity prices generally showed little change in April and early May. Farm products and foods rose somewhat further to reach year-earlier levels, although livestock marketings have expanded about 5% since last autumn.

The consumer price index rose a little further in March. Small increases in food, apparel, and services were largely offset by declines in retail prices for autos.

Bank Credit and Reserves

Commercial bank credit increased about $3 billion in April. About half the increase reflected additions to bank holdings of U.S. Government securities as a result of Treasury financing operations. Security loans related to the financing also increased and all other loans rose more than usual for this month. The seasonally adjusted money supply declined slightly in April, after rising in March, while deposit turnover rose slightly.

Member bank borrowings from the Federal Reserve averaged $550 million and excess reserves $420 million over the four weeks ending May 11. Reserves were supplied principally by an increase of $470 million in System holdings of U. S. Government securities. Required reserves rose $410 million reflecting deposit increases as a result largely of bank purchases of new Treasury securities.

Security Markets

Common stock prices declined on balance from mid-April to mid-May. Yields on corporate and State and local government bonds and on Treasury securities showed small mixed movements. In the early May Treasury refunding, investors accepted $3,661 million of 4⅜% one-year certificates and $2,106 million of five-year 4⅝% notes in exchange for the $5,767 million of issues maturing May 15. The remainder of maturing issues, totaling $646 million, will be redeemed for cash.

Bank Clearings for May 21 Week 11.7% Above 1959 Week

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, May 21, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 11.7% above those of the corresponding week last year. Our preliminary totals stand at $28,398,012,401 against $25,431,695,902 for the same week in 1959. Our comparative summary for the principal money centers for the week ending May 21 follows:

Week Ended	000 Omitted		
May 21—	1960	1959	%
New York	$14,795,973	$12,319,300	+20.1
Chicago	1,386,687	1,320,055	+ 5.0
Philadelphia	1,188,000	1,161,000	+ 2.3
Boston	894,600	811,744	+10.2

Cites Moderate Increase In New Steel Orders

The rate of new steel orders has passed the low point and incom-

ing business is on a moderate uptrend, "The Iron Age" reports.

New business in the past 10 days has been centered in the auto industry. While not sensational, it has resulted in the bottoming out of the rate of new business.

"The Iron Age" points out that the upturn in new orders does not mean an upturn in steel operating rates. For example, the big individual orders are for July and August delivery and there is a lag of some weeks before new orders are reflected in production and shipment.

Negative factors still dominate spring-summer market, the magazine cautions. Spelling them out, the magazine lists: Inventory control, which is still a strong element in the lag in business; the seasonal factor of summer vacations and slowdowns; automotive shutdowns still to come, and the fact that backlogs of old orders are now virtually cleaned up.

As a result, "The Iron Age" says further declines in the steel operating rate are inevitable. The rate now appears headed for the 50's (per cent of capacity) with the low point possibly coming in the week of July 4 when the holiday will cut heavily into operations.

The new automotive orders fall into two categories:

(1) Spot orders for quick delivery to close out production of 1960 models.

(2) The first large orders, principally from the body-making end of the industry, for July and August delivery. These are aimed at 1961's.

Behind current automotive orders is a slow creeping up of production schedules for the second quarter. Latest word is that 1,840,000 new cars are programmed for April-June. Earlier this month the count was about 1,785,000. Original goal was 1,735,000. Generally, the new compacts are responsible for the gains.

The pattern of scheduling of 1961 cars is now becoming clear. For one thing, automakers will have to put substantial inventories in the hands of dealers before Oct. 15. This is the date of the industry's big promotional show in Detroit.

For another, with at least three new compacts coming into the market, their manufacturers will be determined to have a full stock in dealer hands early in the model year so as not to lose the momentum generated by their introduction.

The mild revival in steel orders is attributed to cold-rolled sheets. Throughout the spring, the automotive market, construction, and coated steels (galvanized and tinplate) have held up the market.

Although structurals except wide-flange beams, are soft, the construction industry as a whole has held up its share of the market. Galvanized, which goes into automotive and construction, has held up well. Tinplate, also strong through recent months, is showing some signs of weakness as inventories, both of tinplate and finished cans, continue to build up.

Steel Market Upturn Not Seen Until Late July

Steel industry business will be lean until late July when automakers will start ordering in volume for the 1961 models, "Steel," the metalworking weekly, predicted.

A market upturn is not seen for 60 days because of inventory reductions, vacation shutdowns in many steel using industries, and automotive model changeovers.

"Steel" said the market will get the most support in the next eight weeks from construction activity. To date, demand from builders, contractors, and structural fabricators has been disappointing. Some mills have noticed an upturn in sales of standard pipe to distributors, but it's regional and

Continued on page 27

OBSERVATIONS...

BY A. WILFRED MAY

MR. K. AND THE STOCK MARKET
Its Historical Performance in War-Time (Cold and Hot)

On Labor Day, Sept. 4, 1939 some of us stock market-conscious Americans found ourselves nervously marooned in Deauville, the famed resort town on the Northern Coast of France. We had taxied up from Paris lickettysplit to escape Hilter's bombs which were expected to be set off following France's and then England's declaration of war in reply to the Fuehrer's march into Poland. With the non-appearance of the bombs, the holiday closing American stock exchanges found our nervousness transferred from fear of annihilation of our bodies to that of our brokerage accounts to begin with the market's reopening the following morning. For "*of course*, war is bearish."

We shall never forget the gratified surprise, and relief, that greeted the subsequent news that instead of going into a collapse, the New York market actually re-opened with gains, not losses, of 20% and more. Commentators, along with the investors, lost no time in "explaining" this and the following weeks' rise, with another "of course"—this time the "obvious" explanation being the prospects for war-time *inflation*.

These somersaulting reactions have remained vivid in our mind, demonstrating that even the outbreak of war is insufficient to eliminate investor foibles—in this instance, the rationalization of "the news" to fit the market's preceding movement.

We are, of course, now recounting this as well as other war-impacted market-place occurrences because of Premier Khrushchev's intensified antics, of both the explosive and "peaceful" variety; which are now scheduled for continuation through next year's Presidential Inaugural.

Rationalization of the news, conforming to precedent, has now re-emerged as investor accompaniment to the Summit explosions. Whereas at first the general "of-course-war-is-bearish" view was voiced; with (after) the market's steadying and rallying, emphasis of "explanation" was transferred to the implied guarantee against defense reduction and deflation to ensue from the re-heating of the Cold War. (Even the oils, for so long bombarded with "the book" of horrifying statistics, managed to rally thereby.) Going even further than this negative thought concerning abstention from armament liquidation, as the market got stronger investors were reported as anticipating substantial *increases* in armament spending, even in the face of official pronouncements that defense spending would not be accelerated. (Similar rationalizing of the investors' attitude toward the news at World War II's outbreak is confirmed by the following excerpt from its stock market review in the "Chronicle" of Sept. 9, 1939: "Speculators rushed in and bought . . . in a sort of frenzy, without regard to many cautious analyses which suggested that war buying in this country by the belligerents may be delayed for a long time. . . . References to the enormous surplus stocks of commodities were fruitless in restoring the buying. No attention was paid the declaration by Mr. Roosevelt that there should be no war profits.")

QUICK SWITCH

When Great Western Financial, the savings and loan company issue which has been sensationally making new market highs throughout the fortnight, suffered a 2½-point decline, from 63 to 60½, during the first two hours of last Tuesday's (May 17) trading, this was "explained" by an afternoon commentator by Mr. K.'s injury to "peace" stocks. After the issue quickly proceeded to reverse itself back to new highs in that same and succeeding sessions, the comment was significantly switched to stressing the company's favorable growth and tax-amelioration prospects.

War Enlistment of the Army and The Market

Transferring our attention from *explanation* and *comment* to market prediction and portfolio management, we find this area also most difficult in war as well as peace. The market's reaction to our entry into the First and Second World Wars (in November, 1941) and, to a great degree, the Korea outbreak, did not at all fulfill the bullish expectations, either regarding the general market or specific issues, including the "war babies." During the month following our entry into Hot War Number One in April 1917, 110 of 211 New York Stock Exchange listed issues declined, while only 31 advanced, the remaining 70 remaining practically unchanged. Similarly, during the month following Pearl Harbor in December, 1941, of 753 listed issues, 271 declined, only 56 appreciably advancing, and the rest remaining "neutral." From 125 at the time of the Japanese assault on Dec. 7, 1941, the Dow Jones Average fell to 93 by the following April.

Following the Korea outbreak on May 27, 1950, the stock averages comprised of both high and low-grade issues, as well as Standard & Poor's Composite 500-Stock Average, after exhibiting a preliminary moderate rise, went into a substantial decline. Advancing in the fortnight to June 12, the Dow Jones Industrial Average then fell from 212 to 195 on July 13.

Also in terms of value, as measured by their capitalization of earnings have our war-greeted markets been low. The ratio of the year-end price of the D-J to the year's earnings was under 5 in 1917, 9 in 1941, and 7 at the end of 1950.

In the case of individual industries the initial wartime reaction was both unfavorable and unpredictable. In the early stage of both the First and Second World Wars, non-ferrous metals, sugars and steels did well; but soon joined the declining market sections. With the Korea outbreak the sugars and the coppers along with the repeating textiles (particularly the rayons) and sulphurs—but not the steels — performed the best.

Over "The Duration"

Over war's full "Duration" period, the evidence shows that the difficulties confronting the portfolio managers are also most difficult. Close scrutiny shows that the difficulties facing investors who grasp at precedent are as great in war as in peace time.

Looking at the general market, the Dow Jones Average declined by 11% during World War One, rose by 40% during our participation in World War Two, and rose by 29% during Korea.

Postwar Peace "The Thing"

And while stock prices in each of the three war-experiences which we are surveying, recovered somewhat from their original shock, such rises were gradual and were being dwarfed by the subsequent post-peace advances. By Nov. 3, 1919, the D J from its previous Armistic Day close under 80, rose to 120 and later blazed up to 386 in 1929's peaceful New Era; Hitler's surrender touched off a rise from 155 to 213 (despite the general expectations of a deflationary postwar slump). After the Korea Armistice of July 27, 1953, the market first slumped by some 5%, but subsequently embarked on its long rampage to the recent highs of all time (from 254 to 684 on the D J).

Unexpected Industry Divergence

Even the World War Two investor who correctly judged that the previous bearish wartime market would not be repeated, faced great trouble in selecting industries. During the Second conflict, unpredicably, supposed "war babies" like explosives, ship-building, steels, and aircrafts *declined*; and chemicals, machine tools, oils and non-ferrous metals lagged behind the rest of the market. During the Korea hostilities, on the other hand, these same groups, shipbuilding, the steels and the aircrafts *rose* moderately. Moreover, in contrast to their previous lagging behavior, this time the chemicals, machine tools, oils, foods and nonferrous metals registered sharp gains.

Also featuring the 1941-45 conflict period with rises had been the gold mining, household furnishing, soft drink, drugs, motion pictures, office equipment and retail stores divisions.

The textiles and sugars were outstanding in both periods, but their stellar performance turned quite sour before the respective endings of hostilities.

Moreover, in addition to the difficulties in picking the industries, has been the investor's problem in selecting the right issues within an industry. For example, during World War Two 14 of the oil issues advanced by twice as much as the 14 others; while even in steels, some issues actually ended with declines midst the general advances.

Likewise in the Korea "Duration," Bethlehem Steel advanced by over 50%, while U. S. Steel and National Steel ended practically unchanged. In the petroleum group, Standard Oil of Indiana and Ohio Oil trebled, while "Jersey" remained practically stagnant.

Selection via Price-Range

Such has been the difficulty in forecasting the war-time market performance of individual groups, that the criterion of the price range of the selectable issues would have provided a better yard-stick.

In each of our last two wars, throughout the market the issues in the lowest price groups showed the greatest and most uniform advances. During World War Two, 172 issues initially priced under $40 advanced by 200-300%, while no issue over $40 did so. During the Korea "Business," similarly, the S & P Average of Low Priced Stocks showed an extreme advance of 60%, contrasted with a maximum advance of only 12% for the High Grade (and higher priced) Stocks.

Pre- and Post-Summit

During the coming months our stock market will be living with sharply diverse fluctuations of the political thermometer resulting from Mr. Gromyko's U.N. bellowings, Mr. K.'s successive playing and discarding of his East Berlin Treaty trump-card, and other oscillations between rampaging and appeasing.

Before arriving at a deduction market-wise, let us review its performance from Jan 1 last to May 13. This 19-week prelude to a supposedly pacifying Summit Meeting, shall be classified as a "Warm Peace Market," which may well recur.

In this longish pre-Summit market period, typical of several post-Stalin thaws midst the Cold War, while the market-as-a-whole, comprising all issues, declined by 7.39%, the individual groups displayed divergences that were quite logical. Thus, non-inflation and otherwise "peace-y" industries, as telephone and telegraph, public utilities, instalment finance, and building material issues ended with net advances. Consistently, declines midst this political appeasement period included "war favorites" as machinery and tools, electrical equipments, aircrafts, aluminums, rails, textiles, coppers, steels and airlines.

However, during the following week, May 13-20, when Mr. K. propelled us full-steam into a war atmosphere, the stock groups returned to illogical behavior. Public utilities and autos illogically rose; while "War Babies" as coppers, machinery and tools, and cigarettes declined. (Above group data supplied by Harold Clayton of Hemphill, Noyes & Co.)

In the case of individual issues, too, some surprising action occurred during the Khrushchev "Fireworks Week." Johns Mansville, an issue with neither past, present, or future war contracts, achieved new market highs. Other "non-war" issues reaching "war market" highs included General Public Utilities, Central & Southwest Utilities, Empire Electric and Ohio Edison, McGraw Hill, Sears, etc. Conversely, war-favored issues as Continental Copper, Calumet & Hecla, Penn Dixie, N. Y. Shipbuilding, hit new lows.

Conclusions

Thus, we find that neither "the market" in general nor individual industries perform as expected during the various stages of our participation in war, or "Cold War" periods; thus confirming the unexceptionability in *any* periods of the functioning of long-term *value* criteria.

Form H. F. & R., Inc.

H. F. & R., Inc. has been formed with offices at 2 Park Avenue, New York City to engage in a securities business. Officers are Samuel H. Rossman, President; Arthur L. Feinstein, Vice-President; Seymour Herrick, Treasurer; and Herbert L. Mendelson, Secretary.

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The tax-exempt bond market, not entirely recovered from the general impact of the Summit eruption, is down slightly from the level of a week ago. The average yield as measured by the *Commercial and Financial Chronicle's* Tax-Exempt Bond Index is 3.465%. A week ago the Index was 3.43%. This approximates a lower average market by about one-quarter point. So slight a change is, of course, unnoticeable in individual issues or offerings and should not be interpreted as a trend or as part of a trend. It has been apparent for many weeks, were it possible to measure the market only by new issue pricing, that the trend was very slowly, but unmistakably upward.

The uncertainty that periodically creeps into the tax-exempt bond market continues to be for the most part induced by the general bond market. The technical factors basically effecting municipal bond prices have been, for several months, and are still, quite favorable to the market. Municipal dealers have repeatedly shrugged off the obstacles attending the uncertain political and economic situations, the government bond market, and diminished investor demand generally. They have been rather uncertainly supported through this difficult period by reduced new issue volume and a nucleus of demand well served by any reasonable tax-exempt return.

Lower Yields Unlikely

It becomes apparent, as we go into the summer months, that a trend to lower yields is unlikely. As the Federal financing problem is focussed weekly by Bill sales—and daily fluctuations through the financial headlines — the demand for this short-term vehicle becomes broader through deference to liquidity and high return. In thus displacing longer term obligations, the capital market is being dislocated in a serious way. The continuing refusal of Congress to lift the interest rate ceiling on long - term government issues poses as a confounding problem to the entire financial situation. Despite strenuous pressures, the discount rate is being held at 4%, which situation is largely responsible for there being as much interest in long-term bonds as there presently is. From a bond market viewpoint, it is of great importance that the discount rate not be lowered.

The California Failure

The State of California offered an issue of $50,000,000 serial bonds on Tuesday and received one bid at an interest cost of 3.986% from the large nation-wide Bank of America-Bankers Trust Company group. The bid was rejected by the State as unsatisfactory. Early in January the State awarded $100,000,000 serial bonds to the same group at 4.01%. The bid for the recent offering was slightly better for half as many bonds. The State Treasurer contends that a better bid should have been made on the basis of general municipal bond market improvement since the previous sale earlier in the year. In early January the *Commercial and Financial Chronicle's Yield Index* stood at 3.65%. As indicated above, the Index is now at 3.465%.

However, bids for individual issues do not always parallel market indexes or averages. The Summit collapse has had more impact on the general bond market than averages might immediately reflect. The State of California feels that the weeks ahead may resolve the situation in its favor. The issue will be readvertised for sale on a date in the near future, it is reported. However, a periodic heavy volume borrower such as is the State of California—and its credit is among the best —is inevitably tied to the market as an average. Bettering the average in heavy quarterly volume seems a strenuous duty for any Treasurer.

Bond Market Weak

In connection with the general interest in long-term bonds, it is pertinent to note that the New York Stock Exchange reported bond volume in April totaling only $110,700,000. This is the smallest volume since August, 1959. Since August volume is always relatively light, and since April is usually an active, heavy volume month, the comparison accentuates the apparent capital market dislocation, and the potential market problems involved in heavy volume, long-term bond offerings.

Detroits' Going Well

The second largest new issue offering scheduled during the past week involved the City of Detroit, Michigan. A group headed by Halsey, Stuart & Company, the Chemical Bank New York Trust Company, Drexel & Company, First of Michigan Corporation as well as others, were awarded $16,125,000 general obligation (1961-1985) bonds and reoffered them to yield from 2.80% to 4.05%. About half the offering has been sold thus far, it is reported.

Detroit also awarded $3,000,000 Water supply system revenue bonds (1965-1995) to the group headed by Goldman, Sachs & Company including Shields & Company, Alex Brown & Sons, Estabrook & Company and many others. The reoffering was made at yields running from 3.10% to 4.00%. There was hearty investor welcome and less than one fourth of this high rated issue remains in account.

Other Large Awards

Another issue of particular interest to yield buyers came to market on Tuesday. $3,750,000 Middletown, New Jersey school district (1962-1982) bonds were awarded to the group headed by John Nuveen & Company. The bonds are priced to yield from 3.30% to 4.45%. At this writing, there are about $2,500,000 left in account.

Tuesday was a busy new issue day, and the high rated bonds of Lynchburg, Virginia also appeared in the market. The $2,800,000 (1961-1980) bonds purchased by Dean, Witter & Company, Spencer Trask & Company, Wallace Geruldsen & Company, Ernst & Company and others were priced to yield from 2.35% to 3.40%. About half the bonds were sold on initial offering.

Two million dollars City of Portland, Oregon general obligation water bonds (1963-1982) were awarded to the First National Bank of Portland, Oregon. The issue was reoffered to yield from 2.70% to 3.40%. More than half of the issue is reported sold.

On Wednesday, the City of Denver, Colorado awarded a sizable airport revenue issue to the White, Weld & Company, Smith, Barney & Company group. $11,750,000 (1963-1987) bonds were priced to yield from 3.30% to 4.25%. This well set up, amply secured issue, should meet with favorable investor interest. There is no report on sales at this writing.

Dollar Bonds Easier

The markets for dollar quoted revenue type issues have been easier this week. They fell back during the Summit period but have since regained some of their losses. The Smith, Barney & Company Turnpike Revenue Bond Yield Index was at 4.00% on May 19, the latest available date. The week previous it was at 3.94%. This represented a market setback of about one point. These markets continue very orderly and are for the most part quite broad. There have been no announcements during the week past of new negotiated type revenue projects. Engineering and other studies continue in regard to the proposed June offering of about $200,000,000 Chesapeake Bay Bridge Tunnel District Bonds.

Short Takes

The scheduled new issue calendar is still seasonably light, totaling less than $400,000,000 spread over the next eight weeks. This volume is a variable, and may increase on short notice.

The secondary volume of state and municipal bonds is still of moderate proportions. The "Blue List" reported a total of $364,607,980 on May 25, which is considerably less than the high of the year. This volume or even a considerably heavier one, represents little deterrent to the market. The quiet, steady new issue market seems likely to be extended into June.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	4.00%	3.85%
Connecticut (State)	3¾%	1980-1982	3.55%	3.45%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.50%	3.35%
New York (State)	3%	1978-1979	3.25%	3.10%
Pennsylvania (State)	3⅜%	1974-1975	3.25%	3.10%
Vermont (State)	3⅛%	1978-1979	3.25%	3.10%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.55%	3.45%
Los Angeles, Calif.	3¾%	1978-1980	3.90%	3.75%
Baltimore, Md.	3¼%	1980	3.65%	3.50%
Cincinnati, Ohio	3½%	1980	3.40%	3.30%
New Orleans, La.	3¼%	1979	3.70%	3.50%
Chicago, Ill.	3¼%	1977	3.90%	3.75%
New York City, N. Y.	3%	1980	3.95%	3.85%

May 25, 1960 Index=3.46%

Royal Securities In New York City

Royal Securities Inc. has been formed with offices at 37 Wall Street, New York City, to engage in a securities business. Officers are John R. Hughes, Chairman; Alan S. Gordon, President; Frank L. Glasgow, Vice-President; Donald S. Pope, Secretary and Treasurer; and Alexander F. Kirk, Assistant Secretary and Assistant Treasurer.

Officers are all officers of Royal Securities Corporation, Ltd. of Canada, except Mr. Pope who was with Gairdner & Company Inc.

Sutro Co. Adds

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif. — Leo M. Katz has been added to the staff of Sutro & Co., 9804 Wilshire Boulevard. Mr. Katz was previously with Walston & Co., Inc.

G. I. Harrington With Cruttenden, Podesta

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Gregory I. Harrington has become associated with Cruttenden, Podesta & Co., Russ Building. Mr. Harrington was formerly with Taylor and Company and prior thereto was manager of the municipal department of the Los Angeles office of Eastman Dillon, Union Securities & Co. In the past he conducted his own investment business in New York City.

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

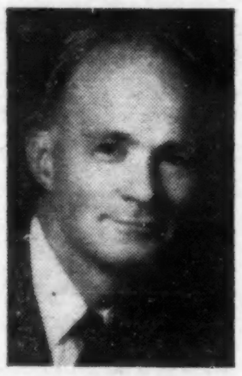
Information, where available, includes name of borrower, amount of issue, maturity scale, and hour at which bids will be opened.

May 26 (Thursday)			
Cattaraugus Co., New York	1,300,000	1961-1975	2:00 p.m.
May 31 (Tuesday)			
Huntsville, Alabama	1,000,000	1961-1990	2:00 p.m.
West Baton Rouge Parish School District No. 3, Louisiana	2,000,000	1961-1980	3:30 p.m.
June 1 (Wednesday)			
Alabama	3,500,000	1963-1980	11:00 a.m.
Cook County Con. Comm. Sch. Dist. No. 65, Illinois	1,300,000	1961-1979	7:30 p.m.
Harlingen Consolidated Independent School District, Texas	1,300,000	1961-1980	8:00 p.m.
King County, Washington	10,000,000	1962-1980	11:00 a.m.
Miami, Florida	3,000,000	1962-1988	11:00 a.m.
Upper Arlington School Dist., Ohio	2,000,000	--------	Noon
June 2 (Thursday)			
Ithaca, New York	1,420,000	1961-1988	3:00 p.m.
Lexington, Kentucky	4,750,000	1962-1989	11:00 a.m.
North Texas State College, Board of Regents, Texas	2,902,000	1961-2000	10:00 a.m.
Oyster Bay Central School District No. 2, New York	4,443,000	1961-1989	11:00 a.m.
Riga, Ogden, etc., Central School District No. 1, New York	2,208,000	1962-1988	3:00 p.m.
Stamford, Connecticut	2,379,000	1961-1980	11:00 a.m.
West Slope Sanitary Dist., Oregon	1,250,000	--------	8:30 p.m.
June 3 (Friday)			
Florida Development Commission, Florida	3,375,000	1964-1990	11:00 a.m.
June 6 (Monday)			
Hempstead Union Free Sch. Dist., No. 11, New York	2,973,000	1961-1989	11:30 a.m.
June 7 (Tuesday)			
Albuquerque Municipal Sch. Dist., New Mexico	3,500,000	1961-1965	10:30 a.m.
Anchorage, Alaska	6,095,000	1961-1980	10:00 a.m.
Anchorage Ind. Sch. Dist., Alaska	5,000,000	1961-1980	10:00 a.m.
Bloomfield, Connecticut	1,550,000	--------	11:30 a.m.
Dothan, Alabama	1,500,000	1961-1970	11:00 a.m.
Memphis, Tennessee	15,000,000	1961-1990	2:30 p.m.
Memphis Bd. of Education, Tenn.	2,700,000	1961-1990	2:30 p.m.
Norwich, Connecticut	2,500,000	1960-1980	Noon
Pennsylvania General State Auth., Pennsylvania	25,000,000	--------	Noon
South Bend, Indiana	1,000,000	1963-1966	3:00 p.m.
June 8 (Wednesday)			
Dumont Sch. Dist., New Jersey	3,000,000	1961-1983	8:00 p.m.
Fort Pierce, Florida	1,325,000	1964-1988	2:00 p.m.
Greenville, Ohio	1,645,000	1961-1982	11:00 a.m.
Kern County Joint Union High School District, California	5,870,000	1964-1970	11:00 a.m.
Los Angeles Dept. of Water & Power System, California	15,000,000	--------	--------
Pennsylvania State University, Pennsylvania	8,500,000	--------	11:00 a.m.
Reading, Ohio	1,000,000	1961-1982	Noon
June 9 (Thursday)			
Bethlehem, Pennsylvania	1,500,000	--------	10:30 a.m.
Bloomington, Minnesota	3,000,000	--------	--------
Calcasieu Parish School District No. 30, Louisiana	2,000,000	1961-1980	10:00 a.m.
Waterford Township School Dist. No. 30, Michigan	2,500,000	1962-1986	8:00 p.m.
June 13 (Monday)			
Des Moines, Iowa	2,000,000	1961-1970	7:00 p.m.
University of Illinois, Illinois	5,000,000	--------	--------
June 14 (Tuesday)			
Farmington, New Mexico	1,690,000	1961-1975	7:30 p.m.
Grand Forks Ind. Sch. Dist., N. D.	1,200,000	--------	--------
Kentucky	30,000,000	1962-1971	1:00 p.m.
Michigan	25,000,000	--------	--------
Milwaukee, Wisconsin	15,000,000	--------	--------
Pasadena City Jr. College District, California	5,000,000	1961-1980	9:00 a.m.
St. Paul, Minnesota	2,495,000	--------	--------
Washoe County, Nevada	3,000,000	--------	8:00 p.m.
June 15 (Wednesday)			
Struthers, Ohio	1,200,000	1961-1980	Noon
June 16 (Thursday)			
Honolulu, Hawaii	2,000,000	--------	--------
June 20 (Monday)			
Manitowoc, Wisconsin	1,650,000	--------	3:00 p.m.
Maricopa County School District No 210, Arizona	5,000,000	1961-1976	11:00 a.m.
June 21 (Tuesday)			
Chula Vista, California	1,250,000	1961-1980	7:00 p.m.
Jersey City, New Jersey	2,000,000	1961-1980	--------
Norfolk, Virginia	9,000,000	--------	--------
Ohio	15,000,000	1960-1970	Noon
West Orange, New Jersey	1,132,000	--------	8:15 p.m.
June 29 (Wednesday)			
Louisiana State Univer., Louisiana	6,500,000	1962-1983	11:00 a.m.
Pennsylvania State Public School Building Author., Pennsylvania	25,500,000	--------	--------
July 14 (Thursday)			
New Orleans, Louisiana	6,200,000	--------	10:00 a.m.
July 19 (Tuesday)			
Eugene, Oregon	25,000,000	--------	--------

Some Pressing Problems For Monetary Policy

By Alfred Hayes,*
President, Federal Reserve Bank of New York, New York City

Central banker reproves the extent of commercial banks' longer term loans permitting corporations to defer public capital offerings during monetary restraint. He suggests thought be given to setting higher rates of interest on loans of similar quality of more than a year on short term loans. Without going into such other long range problems as the tendency toward increasing structural unemployment and need for new approach toward consumer credit stand-by regulations, Mr. Haynes discusses, however, the inadvisability of fixing money supply growth rigidly to nation's long-term average output gain; need for interest rate flexibility on time and savings deposits; role of non-banks' contribution to wider swings in short-term market rates of interest over recent months; relationship of domestic monetary policy to our international financial position; and the fact that monetary restraint was not as taut as commonly believed in 1959 in view of peacetime credit expansion record made then.


Alfred Hayes

Two years ago, the nation's economy was just starting to emerge from a brief but relatively sharp recession. The paramount task facing monetary policy accordingly was to assist in every way to bring about a speedy and sound recovery. As the recovery proceeded—far more swiftly in most respects than had seemed likely at the outset—the appropriate role of monetary policy quickly shifted from one of active stimulation of credit growth to moderate and then rather firm restraint. This was designed to hold the credit formation associated with the expansion of business activity within sustainable bounds, avoiding the inflationary bursts that are, no less than recessions, the inveterate enemies of real growth. Even when the economy's advance was interrupted by last summer's steel strike, there were widespread expectations that settlement of the strike would launch a powerful new burst of expansion, attended by renewed inflationary pressures, and this meant that a rather taut rein had to be maintained on bank credit expansion even through the period of the shutdown.

Refers to 1959 Peacetime Record in Credit Expansion

Let me add immediately that this relatively taut rein did not mean that credit expansion was held to small proportions. The total expansion of credit of all types in 1959 was at a peacetime record of $62 billion, and the only sense in which this was small was in comparison with the even larger rise that would have occurred had all demands for funds been met—no doubt with severe inflationary consequences. I would point out, too, that some of those sectors of the economy that are often singled out as faring relatively badly at the hands of restrictive monetary policy came out rather well. Some $19 billion of the $62 billion total went into residential and other mortgages, a towering increase that eclipsed the previous record by nearly one-fifth. State and local government debt, including provision for schools, increased by a near-record $5 billion. And at the same time the Federal Government had to finance a cash deficit of about $8 billion during the calendar year. The sharp rise in interest rates during 1959 was the dramatic result of the strength of these and other credit demands (including, incidentally, a rise of more than $6 billion in consumer credit).

In the past several months, for reasons that I want to discuss further in a moment, some of these exceptional pressures on the financial markets have abated. Interest rates have receded from the 30-year high levels reached in late 1959 and early 1960, along with a tempering of over-exuberant business expectations and an apparent substantial lessening of prevalent expectations of inflation. The downward adjustment in stock market prices has been another manifestation of the psychological turnaround.

This change in atmosphere has been based on a number of factors. One is that recent business developments, while indicative of well sustained strength in the economy, have lacked the boomy quality that many had rather automatically associated with the resumption of steel production, and, perhaps, with the onset of the "soaring sixties." This is not at all to say that we are in a slack period; the gross national product rose to a record annual rate of $500 billion in the first quarter of this year, while personal income and employment also set new records (after seasonal adjustment). While unemployment continues to be a problem, recent surveys indicate that business outlays for new plant and equipment will be markedly higher this year than last. In essence, however, what has happened is that the special stimulus provided by the end of the strike has been shorter-lived than some had expected; steel needs have been filled quickly and the pace of total inventory accumulation has abated, with widespread effects on new orders and sales; but, over-all, demand remains strong.

Another reason for the recent change in the financial atmosphere—and it is a highly gratifying one—is that the price level has been essentially stable for some time. Average wholesale prices have barely changed in two years (though there have been some offsetting movements among major components along with seasonal swings), and average consumer prices have been virtually steady for about the past seven months. Without making immodestly large claims on behalf of monetary policy, I believe that some of the credit for this good performance belongs to the timely application of monetary restraint in the earlier phases of expansion. Of great help, too, has been the much keener recognition on the part of both industry and labor of the dangers of inflation and the value of reasonably stable prices, not only because of their immediate interest in expanding output, employment and incomes, but also because of the broader need in the national interest to meet the challenge of ever more effective foreign competition. Whatever may be the ultimate results of the steel settlement reached in the first few days of this year, it has at least not been followed promptly by price boosts, or by large pay increases in other industries—as had been the past pattern. And some credit for domestic price stability must, of course, also be given to the generally ample supply of most international commodities.

Changing Federal Cash Position

Still another force contributing to the changed atmosphere of recent months—and this one has had decisive effects on the financial markets—has been the changing Federal cash position. For years, monetary policy has had to carry much the greater part of the burden that fiscal and monetary policy should share. As a result, the effects of needed restraint have been sterner for the economy as a whole than would otherwise have been necessary. Federal cash surpluses were too small, or nonexistent, or were instead transformed into deficits, at times when restraint on aggregate demand was called for. Clearly, the massive shift from a $13 billion cash deficit in the fiscal year 1959 to a position of approximate balance in the fiscal year now drawing to a close has exerted a major influence upon the relation between the supply and demand for funds, particularly in these current months when the concentrated effects of a seasonal cash surplus are being felt. A fiscal policy that proved to be flexible only in providing deficits at times of recession would clearly be out of step with the realities of the modern American economy. Equally necessary are the surpluses in relatively prosperous times that can ease the pressure on capital markets and supply resources to support real growth at home and elsewhere in the world.

Taken together, these changes in market atmosphere and the related underlying developments in the domestic economy—along with the recent moderate improvement in our international payments position—have provided something of a breathing spell for monetary policy. It has thus been possible to relax somewhat the degree of monetary restraint which had been maintained in the second half of 1959. While the central bank can never allow the problems of coping with potential boom or recession to recede very far into the background, this more relaxed setting gives us a valuable opportunity for focusing on some of the longer range problems that are facing our monetary system. Indeed, it is only by giving close attention to these questions that we can hope to fashion the kind of flexible monetary policy that is required in a continuously changing economy.

Many of these problems have been, and are being, subjected to close scrutiny from such quarters as the Joint Economic Committee of Congress and the Commission on Money and Credit—and this is most welcome, although, of course, it is no substitute for continuous appraisal by the rest of us as well. Naturally, I cannot hope to do more than touch on a few of these problems. The implications of an apparent tendency toward increasing structural (or, if you will, "technological") unemployment disturb me considerably, for example, but I will not try here to make even a beginning toward the searching study which that key problem deserves. Nor will I go into the question of consumer credit, and the need I sense for a new approach in methods of regulation if standby legislation should at some time be considered.

Instead, but really only by way of illustrating the range of questions that deserve attention, I shall discuss some aspects of the issues that arise in relating the money supply to economic growth, in influencing the liquidity of the banks and others, in providing greater scope for flexibility of some of our more rigid interest rates—while noting the unusual volatility of some of our market rates—and in relating our domestic monetary policies to the international financial position of the United States.

Rejects Money-Growth Rigid Formula

One matter of obvious concern for the long run is the relationship between the money supply and the nation's economic growth. It is sometimes suggested that our obligation toward fostering growth could be fulfilled by mechanically augmenting the money supply in line with the long-term average increment in the nation's output—say, by 3 or 4% each year. But adherence to such a rigid formula would mean foregoing all the advantages that flexible monetary policy can have in coping with actual or anticipated swings in economic activity. To illustrate: during 1958 and 1959 taken together, the money supply increased about 5%, but four-fifths of this increase took place in 1958. Now surely it was more appropriate that the money supply grew by 4% in 1958, when expansion was needed to foster recovery,

Continued on page 24

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Aircraft Stocks—Bulletin—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available is a memorandum on **Merchants Fast Motor Lines.**

Bank Stocks—Quarterly comparison of leading banks and trust companies of the United States—New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Beneficiaries of Defense Spending—Bulletin—Courts & Co., 11 Marietta St., N. W., Atlanta 1, Ga. Also available are reviews of **American Telephone & Telegraph Co.** and **American Radiator & Standard Sanitary.**

Burnham View—Monthly Investment Letter—Burnham and Company, 15 Broad Street, New York 5, N. Y. Also available in current **Foreign Letter.**

Japanese Automotive Industry—Analysis in current "Investor's Digest"—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. In the same issue are review of the **Bearing Industry, Industrial Instrument Industry** and Japanese Economic structure. Also available are bulletins on **Mitsubishi Chemical Industries Ltd.** and **Toyo Rayon Co. Ltd.**

Japanese Stocks—Monthly stock digest and economic review—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y.

Motor Carrier Industry—Analysis—Hemphill, Noyes & Co., 15 Broad St., New York 5, N. Y.

Motors—Review—H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available is a bulletin on **White Motor Co.** and data on **Missouri Pacific Railroad; Union Pacific; Atchison, Topeka & Santa Fe; Pittsburgh & Lake Erie;** and **Railroad Mergers.**

Over-the-Counter Index—Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 20-year period—National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Residential Construction—Analysis—W. E. Hutton & Co., 14 Wall St., New York 5, N. Y.

Sensible Over the Counter Stocks—Data on 21 Companies—George, O'Neil & Co., Inc., 30 Broad St., New York 4, N. Y.

State Pension Funds—Digest of Authorized investments and actual investments—Investment Bankers Association of America, 425 Thirteenth St., N. W., Washington 4, D. C.—paper—$1.50.

Stocks for Long-Term Capital Gain—Market Review—Orvis Brothers & Co., 15 Broad Street, New York 5, N. Y.

Understanding Put & Call Options—Herbert Filer—Crown Publishers, Dept. A-7, 419 Park Avenue, South, New York 16, N. Y.—$3.00 (ten day free examination).

Utilities—Data on 24 companies—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

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Allis Chalmers—Memorandum—Granbery, Marache & Co., 67 Wall St., New York 5, N. Y.

American Broadcasting Paramount Theatres, Inc.—Analysis—Shearson, Hammill & Co., 14 Wall St., New York 5, N. Y.

American Business Systems, Inc.—Analysis—Singer, Deane & Scribner, Union Trust Bldg., Pittsburgh 19, Pa.

American Hospital Supply Corporation—Analysis—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y. Also available are data on **Brunswick Corp., International Packers Ltd., Spiegel, Inc.**

American Hospital Supply Corp.—Analysis—Eastman Dillon, Union Securities & Co., 15 Broad St., New York 5, N. Y. Also available is an analysis of the outlook for the market for the balance of 1960 and a bulletin on **American Broadcasting Paramount.**

American Marietta Co.—Analysis—Green, Ellis & Anderson, 61 Broadway, New York 6, N. Y.

American Photocopy—Data—du Pont, Homsey & Company, 31 Milk Street, Boston 9, Mass. Also in the same circular are data on **Rockwell Standard, ACF-Wrigley Stores** and **Standard Packaging.**

American Smelting—Memorandum—Theodore Tsolainos & Co., 44 Wall Street, New York 5, N. Y.

Beauty Counselors—Memorandum—Ralph E. Samuel & Co., 2 Broadway, New York 4, N. Y.

Beauty Counselors—Data in May issue of **"Investor's Reader"**—Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York 5, N. Y. In the same issue are reviews of **Inland Steel, El Paso Natural Gas, Purolator Products Corp., Cutter Laboratories, Wool Industry** and **Gimble Brothers.** Also available is a memorandum on **Masonite Corp.**

Beech Nut Life Savers Inc.—Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also in the same bulletin are data on **Standard Oil of California.**

Bobbie Brooks—Bulletin—A. C. Allyn & Co., 122 South La Salle St., Chicago 3, Ill. Also available is a bulletin on **American Research and Development Corp.**

Bowl-Mor Company Inc.—Analysis—May & Gannon, Inc. 140 Federal St., Boston 10, Mass.

Brand Name Investments—Bulletin—Dean Witter & Co., 45 Montgomery St., San Francisco 6, Calif.

C. Brewer & Company, Limited—Analysis—Butcher & Sherrerd, 1500 Walnut St., Philadelphia 2, Pa.

Canada Malting Co., Limited—Bulletin—Osler, Hammond & Nanton, Ltd., Nanton Building, Winnipeg, Manitoba, Canada.

Canadian Breweries Ltd.—Analysis—McLeod, Young, Weir & Co. Ltd., 50 King St., West, Toronto, Ont., Canada.

Cessna Aircraft—Report—Eisele & King, Libaire, Stout & Co., 50 Broadway, New York 4, N. Y.

Consultants Bureau Enterprises, Inc.—Analysis—Binday, Riemer, Collins & James, Inc., 44 Beaver Street, New York 4, N. Y.

Central Transformer—Bulletin—Eppler, Guerin & Turner, Inc., Fidelity Union Life Building, Dallas 1, Texas.

Cook Coffee Co.—Memorandum—A. G. Becker & Co., Inc., 120 South La Salle St., Chicago 3, Ill.

Coral Ridge Properties, Inc.—Bulletin—De Witt Conklin Organization, 120 Broadway, New York 5, N. Y.

Danly Machine Specialties—Memorandum—Bache & Co., 36 Wall St., New York 5, N. Y. Also available is a bulletin on **Martin Co.**

Daystrom, Inc.—Analysis—Boenning & Co., 1529 Walnut St., Philadelphia 2, Pa. Also available is a bulletin on **Cutter Laboratories.**

Decca Records—Bulletin—Hayden, Stone & Co., 25 Broad St., New York 4, N. Y. Also available are reports on **American Commercial Barge Line Co., Baird Atomic, Craig Systems,** and a bulletin on **Growth Stocks.**

R. R. Donnelley & Sons Co.—Report—The Milwaukee Co., 207 East Michigan St., Milwaukee 2, Wis. Also available are reports on **A. P. Greenfire Brick Co.** and the **Marine Corp.**

Evangelical Hospital Association of Chicago—Bulletin—B. C. Ziegler and Company, Security Bldg., West Bend, Wis.

First Charter Financial Corporation—Analysis—William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif.

General Gas—Memorandum—A. G. Edwards & Sons, 409 North Eighth Street, St. Louis 1, Mo.

Georgia Pacific—Memorandum—James H. Oliphant & Co., 61 Broadway, New York 6, N. Y.

Gimbel Brothers—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Gulf & Western Corporation—Analytical Brochure—Morris Cohon & Co., 19 Rector Street, New York 4, N. Y.

Hanson-Van Winkle - Munning Company—Report—Stieglitz & Co., 67 Wall Street, New York 5, N. Y.

Harris Trust & Savings Bank—Analysis—Illinois Company Incorporated, 231 South La Salle Street, Chicago 4, Ill.

Heli-Coil Corporation—Analysis—Cooley & Company, 100 Pearl St., Hartford 4, Conn.

Heli-Coil Corp.—Analysis—Evans & Co., Incorporated, 300 Park Avenue New York 22, N. Y. Also available is an analysis of **United Air Lines, Inc.**

Industrial Opportunities in Treasure Chest Land—Book explaining resources of the Utah, Idaho, Colorado and Wyoming area—Utah Power & Light Co., Box 899, Dept. K, Salt Lake City 10, Utah.

International Telephone & Telegraph Corp.—Review—Fahnestock & Co., 65 Broadway, New York 6. N. Y. Also available is a review of **Penick & Ford Ltd. Inc.**

Jones & Laughlin Steel Corp.—Analysis—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are comparative figures on **Telephone & Telegraph Companies,** bulletin on 20 companies which may benefit because of changing world conditions, and an analysis of **Food Machinery and Chemical Corporation.**

Koppers Company—Analysis—Carreau & Company, 115 Broadway, New York 6, N. Y. Also available is an analysis of **Ferro Corporation.**

Lerner Stores Corp.—Analysis—Bruns, Nordeman & Co., 52 Wall Street, New York 5, N. Y. Also available in the same circular is a brief analysis of **United States Rubber Co.**

Livingston Oil Co.—Report—First Investment Savings Corporation, 404 North 21st Street, Birmingham, Ala.

Magnavox Company—Study—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

P. R. Mallory—Review—Cohen, Simonson & Co., 25 Broad Street, New York 4, N. Y.

McNeil Machine & Engineering Company—Analysis—Jesup & Lamont, 26 Broadway, New York 4, New York.

Missile Systems Corp.—Review—North's News Letter, 414 Mason Street, San Francisco 2, Calif., 35 cents per copy.

Morse Electro Products—Data—Irving Weis & Co., 40 Exchange Place, New York 5, N. Y.

National City Lines—Analysis—Federman, Stonehill & Co., 70 Pine Street, New York 5, N. Y.

National Company—Analysis—Schirmer, Atherton & Co., 50 Congress Street, Boston 3, Mass.

National Distillers & Chemical Corporation—Analysis—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y. Also available are bulletins on **Diamond Alkali Company** and **Giant Food Inc.**

National Starch and Chemical Corporation—Analysis—Montgomery, Scott & Co., 120 Broadway, New York 5, N. Y.

New Jersey Zinc—Data—Purcell & Co., 50 Broadway, New York 4, N. Y.

New York Chicago & St. Louis Railroad Company—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Oil Company Financial Statements—Comparative figures 1959-1958—Carl H. Pforzheimer & Co., 25 Broad St., New York 4, N. Y.

Oshawa Wholesale Limited—Data—Ross, Knowles & Co., Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada. Also in the same bulletin are data on **Abitibi Power & Paper Co., Ltd.** and **General Motors Acceptance Corp. of Canada Ltd.**

Pacific Finance Corporation—Review—Hardy & Co., 30 Broad Street, New York 4, N. Y. Also available is a bulletin on **Struthers Wells Corp.**

Ranco Inc.—Review—Steiner, Rouse & Company, 19 Rector St., New York 6, N. Y. Also in the same circular is a review of **White Dental Manufacturing Co.**

Reheis Company, Inc.—Analysis—Aetna Securities Corporation, 111 Broadway, New York 6, N. Y. Also available is an analysis of **Home** Owners Life Insurance Co.

Resistoflex Corporation—Bulletin—Stieglitz & Co., 67 Wall Street, New York 5, N. Y.

Research Inc.—Memorandum—Piper, Jaffray & Hopwood, 115 South Seventh Street, Minneapolis 2, Minn.

Revlon—Data—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also in the same bulletin are data on **Nestle-Le Mur, Union Pacific Railroad, Fruehauf Trailer, Continental Insurance Co.** and **Copper Stocks.**

St. Paul Ammonia Products Inc.—Analysis—L. H. Rothchild & Co., 52 Wall Street, New York 5, N. Y.

Salant & Salant Inc.—Review—Jesup & Lamont, 26 Broadway, New York 4, N. Y. Also available is an analysis of **Tishman Realty & Construction Co.**

Seaboard Air Line Railroad—Memorandum—Murch & Co., Hanna Building, Cleveland 15, Ohio.

Securities Acceptance Corp.—Memorandum—Cruttenden, Podesta & Co., 209 South La Salle Street, Chicago 4, Ill.

Southern Industries Corporation—Analysis—Howard, Weil, Labouisse, Friedrichs and Company, 211 Carondelet Street, New Orleans 12, La.

Standard Coil Products Company—Review—Schweickart & Co., 29 Broadway, New York 6, N. Y.

Struthers Wells—Memorandum—Bear, Stearns & Co., 1 Wall St., New York 5, N. Y.

Texas Eastern Transmission Corporation—Ten year financial and statistical summary—Texas Eastern Transmission Corporation, Memorial Professional Building, Houston, Texas.

Thatcher Glass—Memorandum—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y.

Tool Research and Engineering Corp.—Analysis—California Investors, 3932 Wilshire Blvd., Los Angeles, Calif.

Unilever—Review—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available is a list of interesting stocks in the **Aircraft & Missile Industry.**

Von Hamm-Young Company Ltd.—Analysis—Robert H. Huff & Co., 210 West Seventh Street, Los Angeles 14, Calif.

Whitehouse Plastics—Analysis—Southern Brokerage Company, Tower Petroleum Building, Dallas, Texas.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Don't Peddle A Worthwhile Product

Saturday evening, a week ago, I was visiting with some friends and customers who lived in one of the better houses in an above average income neighborhood. We had just finished our dinner and had retired to the living room when the front door bell rang. My host answered the ring and a few moments came back into the room with a knowing smile on his face. "It seems like you have competition," he said. "There was a nice appearing young man out there who is trying to sell mutual funds. Here is his card." I looked at the card and it was suitably engraved with the caption thereon "Specialist in Mutual Funds." My friend happened to be a retired businessman who had done some hard selling himself in his youth. He agreed with me that this young man must have good stuff in him to be out in the neighborhood making calls at about 8 p.m. on a Saturday night but he also observed, "I think this fellow might go places if he had some sensible sales direction." I certainly agreed with him.

Such Ambition and Energy Should Not Be Wasted

For many years the securities business has been trying to take the stuffing out of the stuffed shirts, and thank the good Lord the public can now walk into a brokerage office and be treated almost as humanly as in a well run department store or specialty shop. But when it comes to selling a product as important as an investment, it is just nonsensical to send a bright, well groomed, and perservering young man out to make cold calls on a Saturday evening at 8 p.m. Most people are either entertaining or are out for the evening in the first place. Secondly, approaching potential customers on the basis of a cold call, made on a doorstep, hardly develops confidence in the firm that employs such a salesman. I do not believe there is any better way for a youngster who is interested in becoming a salesman to develop confidence, poise, quick thinking, and endurance than to take a swing at house to house selling but don't try it on securities or funds; there are other items more suitable. You can carry this thing too far — it's alright to be informal but an important matter such as an investment should be handled with some dignity and approached entirely differently than on a cold canvass basis.

Save Time—Build Confidence By Making Appointments

The first thing this young man should have been told, if he wanted to make some cold calls, was not to do it on a Saturday evening. Then he should have used his time to make appointments for calls at a later date. How much better it would have been if he had walked up to the door and introduced himself stating that he would like to make an appointment to come by some evening for a discussion of mutual funds. If it so happened that he could do so at the time of his call, well and good. Either way he at least dignified his call to a small extent. If he made an appointment for a call back at a later date, he could leave his card and possibly some generalized literature. But at best, this procedure does not place the interview in the proper perspective for a serious discussion. Certainly no prospective investor who lives in an upper income neighborhood is without some business and investment experience, and he can only react as did my friend who said, "What a nice young man. If he only had some sensible sales direction."

Peddlers Make a Living But Little Else

If a product is worthwhile, if the salesman believes that he is going to confer a major benefit on his customers when he obtains their agreement that they should have it, then he should sell it and present it properly. You don't put a beautiful pearl necklace in a cardboard shoe box and try to sell it. You put it in a plush lined box. Good selling is first of all a state of mind. Either you are selling pearls or you are peddling junk. Which it is? If a man believes that he has something that is going to benefit his customer, he will not have any doubts or reservations about how he should sell it. He will know that he must have the time and the undivided attention of his prospective buyer for proper consideration to be given to an important decision. He will sell an appointment before he sells his funds.

Many salesmen are not thoroughly convinced that they have a very good and beneficial product. *They try to sell before they are sold.* A young man with the courage and spunk to go out on a Saturday night and try a door to door canvass should first of all be told that his product deserves a better presentation than that. He should be told WHY that product is something that people should have. He should become so sold on his funds that the first thing he would wish to do is to select some prospects either from leads, advertising, friends, referrals or just cold canvass of the telephone book (in good neighborhoods) if that's the best he can do, and he should try to sell some evening interviews over the telephone.

Obtaining interviews over the telephone requires some patience and a technique that can be acquired with practice. But the motivating factor is belief in the product and pride in the work you are doing. If a salesman sees himself as a professional counsellor and advisor on mutual funds, and if he believes in this form of investment (for many people) he will speak with assurance, he will not press, he will be pleasant, his voice will be confident and he will make some appointments. Any salesman who approaches his business from this higher level of confidence will save his time and energy. He will enter each interview on a much more dignified basis, with a better opportunity for obtaining larger orders and a higher income through radiation, than if he treated his business as a peddler.

There are some salesmen who are selling mutual funds door to door and I have been told they are doing well with this approach. For those who like it this way and who can do it, I wouldn't argue with success; but if that nice young man were working for me I'd make a salesman out of him or I'd tell him to get some brushes. (And there's nothing wrong with that either—it's just that brushes and funds are two entirely different items and should be sold accordingly.) At least that's the way it look to me.

The Summit's Perplexing Effect Upon Sterling

By Paul Einzig

Pursual of the maze of explanations for sterling's weakness following the Summit Meeting's breakdown fails to uncover any reason that could apply exclusively to that currency and not to any other including our own. Equally perplexing to Dr. Einzig is the surprisingly reassuring firmness displayed by the London Stock Exchange. The analysis concludes with the observation "there is no more justification for pessimism about the future of sterling than about the future of the dollar."

LONDON, England — The resistance displayed by the London Stock Exchange — as indeed by Wall Street — to the effect of the breakdown of the Summit Meeting came as a reassuring surprise. On the other hand, the weakness displayed by sterling not only the dollar but also against continental currencies, was utterly perplexing. On the face of it there is no particular reason why sterling should be affected by the bad news to any greater extent than other currencies of the Western World. After all, we are all in the same boat and are liable to be affected to more or less the same extent and certainly in the same sense, by any grave deterioration of the international political situation. Why then, we may well ask has the foreign exchange market reacted in a way so unfavorable to sterling?

If sterling had already been under a cloud before the Paris incident the reaction of the foreign exchange market would have been understandable, since a weak exchange is always specially sensitive to any new unfavorable development. But sterling was above suspicion on the eve of the Summit Meeting and it is difficult to see why its relative position should have been particularly affected by the disastrous outcome of that experiment in new-fangled diplomacy.

Sees No Isolated Effect

It is true, as a result of the adverse change in the international political outlook Britain will now have to increase defense expenditure, or at any rate the idea of reductions in defense expenditure will have to be abandoned. But then the same is true about the United States and about the Western European countries. In so far as the change will tend to produce an inflationary effect it will not be confined to Britain, nor will any adverse effect on the balance of payments remain an isolated British phenomenon.

An explanation which has been put forward is that since there had been lately an influx of foreign funds to London this trend became reversed as a result of the Paris failure because, owing to the feeling of uncertainty it created, banks all over the world want to increase their liquidity by withdrawing some of their funds from London. Another explanation canvassed in some quarters was that the Soviet Government, being in possession of fairly substantial sterling balances, hoped to make itself felt by causing a depreciation of sterling. While there can be no doubt that the Kremlin is quite capable of making such political use of its sterling balances, it seems unlikely in the present situation to engage in operations which would strengthen the dollar at the expense of sterling. After all, Mr. Khrushchev regards President Eisenhower and not Mr. Macmillan as his chief enemy.

A much more acceptable explanation is that the Paris failure was followed by fairly substantial American selling of British equities on the London Stock Exchange. Technically there is no reason why this should affect the official sterling-dollar rate. Non-resident holders of sterling securities are not in a position to sell the proceeds of such securities in the foreign exchange market except in the form of "security sterling" which is quoted at a moderate discount compared with the official rate. In fact, the rate of security sterling has declined to an appreciably greater extent than that of ordinary sterling. But there can be no arbitrage between the two types of sterling, so that there is no technical reason why the weakness of security sterling should affect the official rate adversely. Moreover, the weakness of security sterling became accentuated when the official rate was already inclined to recover. Even so, it is possible that the anticipation of American selling of British equities and of its probable effect on security sterling produced an adverse psychological effect on the sterling-dollar rate.

No Need For Pessimism

There is no reason why either sterling or the dollar should be looked upon with pessimism as a result of the Paris fiasco. Quite on the contrary it seems probable that on second thoughts many continental residents will be inclined to play for safety and transfer money to New York and to a less extent to London. After all, any deterioration of the international political outlook is liable to affect the Western European continent even more than it is liable to affect Britain and certainly a great deal more than it is liable to affect the United States. If it came to a major war we would be all in it. But even then many continental residents would think it an advantage to have their money in London and a much bigger advantage to have it in New York rather than in continental centres within easy reach of Soviet tanks.

From a purely economic point of view the aggravation of the outlook need not necessarily produce an inflationary effect either in Britain or in the United States. On the contrary it is just possible that, in face of a danger of a conflict, the "free for all" attitude of the trade unions may give way to a more sensible and less inflationary attitude. Moreover, increased financial requirements of national defense may induce the governments to curtail their expenditure from non-military projects. Taking all this into consideration there is no justification for pessimism about the future of sterling any more than about the future of the dollar.

Paul Shields Named

Paul Shields, partner in Shields & Company, New York City, has been elected chairman of the board of the Chris Craft Corporation.

Restoring Investor Faith In Airline Industry Shares

By Albert H. Gordon*, *Senior Partner, Kidder, Peabody & Co., New York City*

Causes and cures for the earnings-ailing airline industry place equal stress upon the CAB and management. To reverse the flight from airline shares and discounts to book value, and to improve the inadequate earnings which again may be disappointing this year, Mr. Gordon recommends passage of legislation making the CAB strong and independent so it can take the initiative and effectuate a major over-haul of the U. S. Air Transport network. This and the combined statesmanship of the Board, the industry and the investment banking community should, the writer avers, quickly bring about investor confidence in airline securities.

About four years ago—I was asked to testify before the Civil Aeronautics Board in the General Passenger Fare Investigation as to the question of what it takes to attract capital to the airlines. It was a challenging experience. It gave me an insight into a major facet of the regulatory processes as conducted by the CAB and endured by the industry. This was educational for myself and, I hope my testimony and cross examination were constructive.

Albert H. Gordon

Unhappily, the conditions then prevailing exist today. The thesis I advanced at that time was valid then and remains even more so today. Unlike the lot of the U. S. airline investor, the economic condition of the Russian citizen has shown substantial improvement in the last three and one-half years. I visited Russia late in 1956—just before I testified in the CAB matter — and returned from another trip there only last week. Since Stalin's demise, I observed the Russian Government's responsiveness to the demands of its citizens. This can be seen by the offering of greater incentives, increasing consumer goods and decreasing income taxes. The economic facts of life are unchanging.

To the institutional and individual investor, the airlines have appealing qualities for the industry epitomizes technological progress and expansion. Its growth should provide glamor.

Growth in traffic and gross revenues has been sparked by the infusion of expanding capital into the industry. Net earnings, however, have not begun to match the rate of growth of traffic or even of the capital enticed into the industry.

Here we have a peacetime industry which every analyst expected to be profitable. But in the postwar period, it was not until 1949, before the trunk airlines, as a group, turned the corner and showed a small profit. Measuring the progress of the U. S. trunk airlines for the last decade, 1950 through 1959, we find the following significant and relative gains:

	1950	1959	%
	(In millions)		Incr.
Passengers Carried	16.0	44.5	178
Revenue Ton-Miles Flown	951.5	3,167.0	233
Operating Revs.	524.1	1,798.0	243
Total Long-term Debt	$135.9	$740*	444
Total Equity	$255.3	$810*	217
Net Earnings	$30.9	$59.9	94

*Estimated

The growth factor obviously is present in all tests except the most important one—net earnings. Yet, earnings cannot remain static—they must increase from year to year to at least match the rate of growth of capital requirements.

I wonder if airline managements and the regulatory authorities realize how keen the competition is today for funds and that the airlines are laboring under a great handicap in this competition.

The investing public, both individual and institutional, before investing and before disposing of prior purchases, evaluates corporate securities primarily on the basis of earning power — past, present and potential. Necessarily, in regulated industries prime attention is accordingly focused on the nature of the regulatory climate. To be sure, company asset values are taken into consideration, particularly with respect to debt securities; but in the final analysis, the owner of debt securities recognizes that an adequate flow of cash earnings to pay interest and to meet sinking fund requirements is his best protection. For a company to obtain funds from the sale of senior securities, it is vital that a solid equity base be established. For such a base, earnings must be sufficient to pay, at some time, adequate dividends with a margin of safety not only for the sake of the dividend but for the well-being of the company. The equity is the foundation on which the financial pyramid rests. Absence of adequate earnings will tend to destroy investment confidence in a company and will make difficult the acquisition of equity funds. Practically all the regulatory commissions of the electric utility industry have recognized these basic facts of economic life. As a consequence, the electric utilities have raised the huge sums necessary to fulfill the increasing demands of their customers on a relatively attractive basis.

In contrast, the airlines picture is a drab one. The investor views the air transport industry as one in which, while total operating revenues have grown impressively, there has been no comparable growth in net earnings.

Predicts Disappointing Earnings This Year

As we all know, the rate of earnings is far behind the rate of growth in traffic and revenues. Moreover, despite the boom in air travel on many routes sparked by jet equipment, earnings for the industry, as a whole, are likely to be disappointing this year.

This is so even if attention is not focused too closely on the frightfully poor earnings of the first quarter. From an operating profit of $16 million during the first three months of 1959, the domestic trunks reported an operating loss of $24 million in the first quarter of 1960 or a swing of $40 million.

Liquidation of Airline Shares

No one can deny the flight of capital from the airlines. The flight goes on and is continuing. In this connection, a compilation of 67 investment management groups showed substantial liquidation of airline holdings by trusts previously owning such shares. Among the more prominent transactions was the liquidation of 131,300 shares of American Airlines by eight funds, five of which sold out their positions completely. Not one fund was a buyer of American during the first quarter. During the same period, there were sales of 16,500 shares of Braniff, and 57,000 shares of Pan American with no buyers among the funds. Only in Eastern did a purchase of 16,000 shares almost match the sale of 19,060 shares. There was also scattered buying in Delta and United Airlines, but of a small order.

It is an astounding fact that, with the exception of Northeast —selling at $5 per share — the common stocks of every trunk airline, at a very recent compilation, were selling at varying discounts to their book values. Even in the previous dark days of the industry, such as prevailed in 1947, they were selling at an average of 155% of their asset values. The present phenomenon is most unusual when equities of all these major trunks—and Pan American World Airways as well — sell at discounts to book value. Discount disparities have, at one time or another appeared among individual airline issues in the past but there were always a handful of air transport equities which commanded premiums over book values.

By significant contrast, out of a total of 115 electric utility common stocks available in the market, not one equity sells below its book value. Investor confidence in the Greyhound Corporation, by far the largest interurban bus carrier in the nation, is such that its common stock currently sells at more than twice its book value.

These are not happenstance conditions. They are the natural result of a combination of sound regulation and sound industry management.

Need to Have Shares at Premium Over Book Value

As a practical financing matter, it is most desirable, if not essential, that the market price of the equity of any company—in any industry—sell at a premium over the book value for a sustained period of time. In this manner, new funds can be attracted to an enterprise without doing harm to or diluting the equity of existing stockholders.

The electric companies, unlike the airlines, are readily obtaining, at prevailing rates of interest and dividend yields, the huge amounts of outside funds necessary for them to be able to continue to meet the public demand on them for their services.

In fact, with the impact of present day taxes, investors demand the prospects of worthwhile capital gains before making any commitments in airline securities. Interestingly enough, in 1956 and 1957 astute speculators surmised that conditions in the airline industry were so bad that they could not possibly get any worse and, on that premise, made commitments in the group. A serious analyst, at that time, could find no solid basis upon which to recommend airline investments.

Today, most airline securities have returned to former low market levels, losing much of the limited gains established in 1958 and 1959.

This performance may be enough to discourage even the breed of astute, hardy speculators who bought at the lows of a few years ago. Certainly, if the airlines rely upon attracting equity capital primarily on the basis that conditions in the industry are so bad that they can't become any worse, they are leaning on a weak reed.

Teething problems of new aircraft and the attendant drain on earnings are nothing new to the airlines or to any other industry in which technological advances occur and new equipment is introduced.

Problem of Competition and Ceiling on Rates

But the airline difficulties go much deeper. Intensive competition among the airlines over many routes incapable of supporting existing or foreseeable levels of traffic is the most obvious reason for the industry's basic difficulties.

Another negative factor is the ceiling on rates which has been imposed on the industry and the persistent difficulties encountered in obtaining suitable relief in the face of rising costs.

Both of these factors — over-certification and low rate of return—go hand-in-hand. Probably if so much competition—in the arena of a highly regulated industry—had not been created, operating costs for the separate airlines would not have risen so rapidly. Nor would the industry now be faced with a series of recurrent financial crises.

Now—it has become a popular pastime to heap blame and abuse on the Civil Aeronautics Board for creating all this unncessary route duplication. And there is no doubt that considerable responsibility should rest with that agency for this condition.

Blames the Agency and the Airlines

But the industry itself is by no means blameless. Practically every airline executive to whom I have ever listened, has always bemoaned the fact that there is much, too much, route duplication in the industry—for everyone else that is—but that his company was in dire need of further expansion.

The airlines themselves, accordingly, have contributed to the conditions of excessive route franchises in existence today. After all, routes in service today were all requested and aggressively sought by the operators themselves. And the Board tried to accommodate nearly everyone.

It is too easy to blame the CAB for the ills of the industry. But in my opinion, the agency and the airlines are both responsible. The present plight is obviously not satisfactory either to the industry or to the Board and if it is continued, it will be detrimental to the using public—not to mention national defense.

We all assume that the airlines have come of age. But I sometimes wonder if this is so.

For example, when I testified before the CAB in the General Passenger Fare Investigation matter, I was shocked by the evident indifference which appeared to exist on the part of top airline management in this important proceeding. Only one airline had a senior officer continuously in attendance supervising the preparation and presentation of his company's case. Now surely we would think that an issue as vital as the rate structure of the industry could command concentrated attention of top management.

Certainly that has been my observation in the public utility field. The electric power companies are frequently before their regulatory commissions seeking rate adjustments to meet changing conditions. Almost without exception, top officials of these utilities appear and personally supervise their cases. In so doing, they make a sincere effort to inform and educate the staff and the Commission members. The results show that generally speaking they have been successful. As a consequence, they have acquired the financial strength to expand, innovate and broaden their services to the consuming public. Rate reductions, too, have been part of the pattern.

The airline industry could well do with more statesmanship in this and other respects.

First Order of Business

One of the first orders of business is to develop a strong and independent Civil Aeronautics Board and a supporting staff of high calibre. An encouraging move in this direction has been taken by the appointment of Mr. Alan S. Boyd as a member of the Board.

When he was chairman of the Florida Railroad and Public Utilities Commission, he declared, among other things: ". . . so far as the Commission is concerned, we are going to do our best to see that the capital invested in Florida is treated fairly and that the customers are also treated fairly, and if we err in either direction it will be purely unintentional and remedied as soon as it is brought to our attention." Little did I know in 1957 when I quoted this enlightened philosophy, in support of my testimony before the CAB, that he would be elevated to the Board.

The airline system of the United States is in need of a major overhaul. It is evident that the concept of multiplicity of competition in many markets over the same routes has been a failure.

Technological advances which have made possible the advent of jet transports, in themselves, would have outmoded airline route patterns conceived in the day of the DC3. To be sure, there is a place for the regional, local service and helicopter airline operators as well as for the trunks and international carriers.

In my opinion, route realignments, suspensions, mergers and consolidations are essential if the airline industry is to attain its fullest potentials in providing the best service to the traveling public.

A strong and independent CAB should take the initiative and develop a master plan for a balanced U. S. air transport network. This is a proper function of the Board and not, for example, of other agencies such as the Department of Commerce in dissipating taxpayer funds sponsoring academic studies which only obfuscate the issues.

The popular refrain is for mergers. It is disturbing, however, to note the misconceptions which exist everywhere as to how mergers can be accomplished.

The facts are these: The CAB just does not have the power to compel airlines to merge. It probably can, however, prod in both official and unofficial actions. Even if voluntary mergers are proposed, they would be headed for tough sledding in passing through the labyrinth of "due process."

To break this impasse, perhaps the Civil Aeronautics Act should be amended by Congress.

Board approval is required of any consolidation, merger, lease, operating contract or acquisition of control of any certificated carrier. The existing law directs the Board not to approve any arrangement which would "result in creating a monopoly . . . or jeopardize another air carrier not a party to the agreement." This is a negative mandate and is troublesome as the possibility exists that there are always one or more carriers who can claim they will be jeopardized by a merger of competitors.

This is why, in my opinion, a well conceived master plan for the U. S. airline network is a must. Further, it will take the combined statesmanship of the Board, of the industry and of the investment banking community to place the airlines on a firmer regulatory and economic footing.

As a regular air traveler, I would like to see a strong airline industry. Selfishly, all of us who use the airlines should insist on a healthy air transport network as this is the best assurance that we will have the highest safety factor present at all times.

In conclusion, I think it fitting to repeat an answer I gave on cross-examination back in 1957, during the passenger fare hearing. I told the CAB examiner: "There is no basic prejudice against airline securities." This statement remains just as true today. The return of a more constructive regu-

latory atmosphere and a better economic climate for the industry will quickly restore investment confidence in airline securities.

It is surprising what a broad scale common denominator is present in reasonable profits.

*An address by Mr. Gordon before the 13th Annual Convention of the National Federation of Financial Analysts Societies, New York City, May 16, 1960.

IBA Issues Study Of Pension Funds

WASHINGTON, D. C.—A detailed financial study entitled "State Pension Funds—Digest of Authorized Investments and Actual Investments" has just been published by the Investment Bankers Association of America, according to an announcement by James J. Lee, President of the Association and partner, W. E. Hutton & Co., New York. Pension officials of all 50 States cooperated in the study by submitting annual reports and current legislation affecting the investment of pension funds in their States.

This useful booklet provides an up-to-date breakdown of the total amounts invested by all State pension funds in various types of securities and summarizes the general statutory provisions regarding the investment of State pension funds in each state. Not only investment bankers and State pension officials, but financial consultants, educators, and financial writers should also find the study helpful.

The total amount of capital in the State pension funds studied was nearly $10.2 billion. This was invested as follows:

U. S. Government obligations	$3,719,838,391
Municipal bonds	1,601,827,094
Corporate bonds	3,294,205,349
Preferred stock	63,822,215
Common stock	170,575,288
Other investments	1,349,118,049

The study contains a digest of each State's pension funds, including:

(1) A summary of the authorized classes of investment for State pension funds, including State teacher retirement funds, under laws in effect early in 1960.

(2) A summary of the actual investments of the State pension funds in 1959 in the general categories of U. S. Government bonds, municipal bonds, corporate bonds, preferred stock, common stock, etc.

(3) The name and address of the official from whom further information may be obtained.

The digest does not include municipal pension funds (except in a few States where the State administers a municipal pension fund).

STATE PENSION FUNDS may be purchased at $1.50 a copy from: Investment Bankers Association of America, 425 13th Street, N. W., Washington 4, D. C.

A limited number of copies are available for sale; orders will be filled as soon as received until the supply is exhausted.

Named Director

Gustave G. Amsterdam, Chairman of the Board and President of Bankers Securities Corporation, has been elected a director of the Philadelphia Electric Company.

Spear, Leeds Partner

Spear, Leeds & Kellogg, 111 Broadway, New York City, members of the New York Stock Exchange, on June 1 will admit Alexander D. Read, member of the Exchange to partnership.

Wanted: A Civic Defense Of Investment of Savings

By Robert C. Tyson,* *Chairman Finance Committee, U. S. Steel Corp., New York, N. Y.*

On the occasion of "Invest-in-America Week," Mr. Tyson hits hard at subtle and more serious ways said to be undermining the American incentive to save and invest. Searchingly scrutinized are the pace and spread of welfare-state spending and taxation, the phenomenon of inflation, and the opposition to technological advances. The U. S. Steel official calls for a "civic defense of productive investment"; i.e., the preservation of the opportunities, the incentives and the safety of saving and investing—termed the key to progress. Turning to the opposition to labor-saving advances, Mr. Tyson declares industries that successfully invest in them do not employ lesser amounts of labor and, moreover, they provide more secure employment than where productive efficiency does not increase.

Invest-in-America Week has adopted the theme, "Money At Work Means Men at Work." I think it entirely worthwhile that each of us recalls for himself the basic truth contained in that theme. It is, of course, true that the slogan seems to suppose that to labor, to toil at work, is of itself the individual and national objective—an aspiration which has, indeed, been formally expressed in law as a so-called full employment objective. This is a little funny, because anyone inclined to poke fun can always quite simply ask, "Just who is it who really seeks a life of unremitting work instead of one of ease? And isn't hard labor actually a severe punishment to which hardened criminals are sometimes sentenced?" If one were slightly mischievous he might further observe, that as a matter of fact, one of the most popular American pastimes actually appears to be trying to get something for nothing from each other — and especially without working for it — through use of government or government-condoned power. Later on I will have a bit more to say more seriously about such intergroup exploitation.

R. C. Tyson

But, levity aside, there is something very profound in the "Men At Work" objective because it implicitly assumes and recognizes the Biblical injunction, "By the sweat of thy face shalt thou eat bread, till thou return unto the ground. . . ." This conforms to the enduring truth that the good things of life—let alone survival —are by mortal man to be obtained only through his labor. It is the fruits of labor, not the labor itself, which we seek. But the fruits are unobtainable without the labor. It is thus to obtain income and security that people undertake, as required by the laws of life, to work, save and invest. In this sense "Men At Work" is a derived objective identifiable with economic prosperity, growth and security, even though working itself, devoid of its fruits, could well be something people sought to avoid. The distinction is important because it explains both the bad fact that men sometimes strive to take, without paying for them, the fruits of each other's labor, and the good fact that men ever strive to get more of the good things of life out of their own labor. In the economist's language this latter is the effort to increase productivity—and that leads me directly into the subject of investment in the tools of production.

Key to Progress

Productive investment, and it alone, is the key to providing new product and new self-sustaining jobs in modern America. There is no other way. Most of us probably recognize this truth in an academic or theoretical way. But since it is really a vital and important thing that touches everybody's life and destiny, it is well to dwell on it a moment.

Consider, if you will, just how a new self-sustaining productive job comes into existence — the kind we need to support a growing population and labor force. I submit that the only way such a new job ever comes into existence is when someone somewhere invests savings to provide the tools of production with which men may go to work producing the marketable values to cover their continuing wage and investor's profit. Take a factory — no one ever gets a job in a factory until someone has invested money to build it. Take a corner drug store —after some John Jones invests his savings to build it, there then is a clerking job for some Joe Smith to fill.

The productive investment of saved money first provides jobs for those who build the tools of production. Such expenditures are the lifeblood of the toolmaking and industrial construction industries, the source of employment opportunity and income in those industries. Once the tools of production are in place and saved working capital to finance their operation is assembled, then the continuing jobs of operating them come into being. The flow of goods and services to satisfy the nation's needs and enjoyments is augmented on the one hand, while on the other the employees receive wages that enable them to meet their needs and enjoyments in the nation's markets. It is indeed a simple truth that money invested means men employed and progress promoted. In our land there cannot be one without the others.

I think everybody understands that America's industrial might— our living standards that are the envy of other people in other lands—results from the fact that as a free people we early learned and were able to transfer the burdens of production from the backs of men and of beasts to the wheels of powerful tools of production driven by harnessed mechanical, electrical or chemical energy. The productive power of the human being was thus multiplied many, many times over. As an amusing example try to figure how long and how hard one would have to push his automobile to get it as far as the automobile could get itself on 30 cents worth of gasoline that he could earn in 18 or fewer minutes of far less strenuous labor. The startling contrast has been made possible by the presence in America of the voluntary and competitive process of productive investment.

Threats to Progress

It is a precious process that should ever be protected and preserved, for without it the America we know would cease to exist. We have a civic duty to ourselves and to each other to defend the process of productive investment against the fallacious thinking and political folly that might undermine it. There are such undermining forces at work in our land.

Thus some people, instead of viewing the process as one by which the energy and skill of the human being can often be multiplied a hundredfold or more in terms of useful product, choose to think of it as merely a labor-saving process — which, thank heaven, it also is, as any housewife who has invested in a dishwasher to displace a dishpan will gratefully testify. Such folks emphasize their fear that the process is primarily one whereby men are displaced by machines—something that results in technological unemployment. It is not that anyone objects to the lightening of the work load on the employee that usually attends the introduction of new and better machinery. A push-button operation is preferable to a back-bending one. It is the fear that the employee may be dispensed with entirely. Out of such attitudes resistance to technological improvement is generated; or selfish "featherbedding" practices evolve or are imposed to the detriment of the social benefits implicit in greater productive efficiency.

But such assaults on the process of productive investment should be rejected as utterly unjustified either in theory or in practice. In theory a nation can never hope to produce more of the good things of life until it can first find more efficient ways of handling its production at the existing level and thus free both manpower and savings to undertake the new tasks that mean progress. In practice no one has ever been able to point to any long-term substantial unemployment technologically induced, even though there may be temporary dislocations. On the contrary, it is unhappily common knowledge that those industries where extensive featherbedding has evolved or been imposed are the very ones least notable for progress or for providing employment opportunities and security. It is the usual history of American industries that if they can and do successfully invest in so-called labor-saving tools of production they do not employ lesser amounts of labor; instead they are able to and do produce more product to the benefit of all. Employment is most secure where productive efficiency increases most rapidly; it is least secure where productive efficiency does not increase. And everybody benefits when productivity increases; nobody does when it doesn't.

Assault on Incentives

But there are other ways, more subtle and more serious, of undermining the vital American process of investment and against which we must be on guard if we wish to preserve that process and secure for ourselves and coming generations the benefits that flow from it. These threats to the process are, in general, of two sorts: First, there are those which undermine the incentive to save and to invest. Second, there are those which dissipate by inflation the value of all

Continued on page 28

Corporate Partner Must Support Higher Education

By Harry A. Bullis,* *Former Chairman of the Board, General Mills, Inc., Minneapolis, Minn.*

Industrialist advises business and college heads on what each should and can do to increase corporate support of higher education. The former is warned that they have to go much farther in granting aid or find the government shouldering this crucial burden. Educators are told to show business their needs and induce contributions by use of good salesmanship. Without wishing to overstress "salesmanship," Mr. Bullis states why colleges should employ and raise the pay of good "salesmen professors." The financial target suggested for business is the 1% of pre-tax earnings recommended by the Council for Financial Aid to Education.

The personal views of a businessman on the obligations of industry to support higher education, as well as the advantages in so doing, may be helpful.

Harry A. Bullis

Business and industry must draw on the graduates of our institutions of learning, not only for technicians, scientists and specially skilled executives, but for leaders with the ability to coordinate internally the various ramified functions of a great enterprise. Education is very much a paying enterprise for business. The correlation between high sales and good markets and a high degree of education is most remarkable. It is not, however, for selfish business benefit alone that industry should face the need for financial support of higher education.

One important reason why we need enhancement of education at the college and university level is to supply our country with an educated and informed group to participate and lead in the formulation of national policies. Many of the policies that have helped to stabilize American enterprise have been advanced by higher education and by discussion of the issues, which is so important a part of teaching and student life today, especially in our free and private liberal arts colleges.

Today, education is our biggest American business. It has an annual budget of $20 billion. It has more employees and larger facilities than any other industry. Yet, we are on the brink of a new and even greater explosion in the number of Americans who will be needing higher education: by the end of the next decade, colleges and universities will need to find room for over 2½ million more students.

This means more money must be found for scholarships and student loans, more money for more teachers and higher salaries, more money for more and better educational plant facilities, and this at a time when all our institutions of higher education are confronted with spiraling costs of operation. No wonder over half of our private colleges and universities are facing a serious financial crisis.

Educators must prove, and they can, that they must have more money and that they cannot finance their plant from earned income. This is one point which must be shown clearly to businessmen.

If business will not shoulder much of this burden, then Government will have to. And if Government is the chief subsidizer, various government controls inevitably follow. Business does not want this to happen. Is it not clear, then, that business has an obligation to demonstrate private initiative in various semi - social areas of responsibility if it is to preserve the business system? Surely education is a semi-neglected side of this responsibility.

Far-sighted businessmen recognize this fact. It is becoming more and more apparent that, if we are to preserve our American ideas of freedom, there must be a dynamic partnership between education and industry. Corporation support of higher education is growing at an impressive rate. It is the most encouraging single feature of voluntary support of high education.

Major United States concerns are supporting the nation's universities thoughtfully and as a matter of long-rnage policy. The Council for Financial Aid to Education estimates that total corporate contributions to education in 1959 came to $150 million.

Business, however, still has much farther to go in its support of higher education. Let us not forget that Communist Russia has pressed education to the maximum degree and has arrived at a position of great strength. We must outdo the Russians here. We have the means. Our total Gross National Production per capita is more than three times theirs. It will require sacrifice to improve and extend our education, but nothing like the sacrifice the Russian program has demanded from them. Education is power, and if we are to maintain our heritage, as well as make progress in the world, we must meet the challenge to us.

Few of us in business are doing enough; some of us are doing far too little, if anything. If our colleges and universities can be provided with the tools to do their job well, not only we in business, but more important, the whole country and the whole world will gain.

The standard for contributions to higher education by successful corporations, which has been established by the Council for Financial Aid to Education is 1% of earnings before taxes. In the years ahead more and more companies will tend to approach or exceed that standard. It is my conviction that financial contributions to the colleges and universities of America, by many individuals and by many corporations, are really gilt-edged investment in a better, a more prosperous, and a safer future for all Americans.

Growth of Corporate Support of Education

How much will corporate support grow during the next 10 years? Dr. John A. Pollard, Vice-President in charge of Research of the Council for Financial Aid to Education, has estimated that it will increase at least three times during that period. Corporate support, as shown by Dr. Pollard's estimates, has increased about 1½ times between 1954-55 and 1958-59, or approximately 150%. I am more optimistic than Dr. Pollard in this connection, and I would estimate that corporation support of higher education will grow five times during the next decade.

Here is an opportunity for all college presidents to obtain larger contributions from corporations if they go about it correctly.

Freedom From Political Control

Higher education must have freedom from political control, and no informed person wants a higher educational system in this country financed, dominated, and controlled entirely by the state. The state universities themselves do not want that any more than you and I do.

Our colleges and universities must continue to stand steadfastly for freedom of speech and academic tenure. They must maintain their historic position of freedom from control by any faction or by any force—right, left, or in-between. That is the true tradition of colleges and universities which has come down through the ages. We businessmen must help them to uphold this tradition of an utterly free university and a completely free college.

Today, as regimented education is enforced in totalitarian systems and is geared to achievements of political power, we can all the more appreciate how fortunate we are in America where scholars are still free to seek the truth as they see it. We realize the debt we owe to the distinguished presidents who have safeguarded the freedom upon which have been created some of the outstanding colleges and universities of the world.

Building a Case for Corporate Support

I hope college presidents will permit a businessman to offer some words of advice to them on how they can build a better case for corporate support. The potential of corporate support should be at least as large as that of any other single source. Every businessman knows that the greatest asset his company has is its personnel. More and more, industry is looking to the colleges and universities of America for its potential executives, as well as its specialists. To have dynamic progress in business, there must be leadership of the highest caliber at the top. That means leaders of men in every position of supervision. Close liaison between industry and our colleges would bring forth many more leaders in business.

Business should support education in order to obtain more men and women who are qualified for research. We all know that growth and expansion in the American economy depend largely upon the constant enlargement of research in every field. We must have technical research to give us better products and better ways of producing them. We need research in the field of industrial and human relations, in order that we may have a labor force which is constantly growing more efficient—a necessity for a better standard of living. In the area of marketing, we must have research to provide the knowledge on which to base the ever-widening distribution and production that will be required if we are to provide productive employment to our labor force, now growing at a rate of over 750,000 annually. Above all, we need research in medicine and in science as modern technology discloses more facts concerning the nature of our environment. All colleges and universities, particularly the efficient small colleges, are well suited to look for and develop the talents in young people which are so sorely needed.

Businessmen like to support educational institutions that are showing evidences of progress not only in modernizing their plant and constructing new buildings, but in bringing up-to-date their curricula and adapting their courses of study to fit the changing world. I believe that there is a "Law of Action" which says that Providence helps those who help themselves. Everyone likes to be associated with a successful going concern, and businessmen are more inclined to make contributions to colleges that are intelligently managed and adjusting their facilities and courses to better serve their purposes.

College presidents are perfectly capable of putting these ideas and others over to businessmen, and they can induce corporations and corporate foundations to make substantial contributions by the use of good salesmanship. Obviously, I do not mean glib and phoney salesmanship. Incidentally, I suspect that the most important man in the world is the good salesman. Without him "nothing gives." All of us trying to help in the campaign of obtaining business contributions have to be good salesmen.

Professors as Good Salesmen

The colleges benefited by these contributions must produce from their student bodies, good salesmen. To do that, they need professors who are good salesmen. But good "salesmen professors" come high in cost. Here, then, is another good argument for raising money for the colleges. They can then have better professors who will train better students and thus permit the colleges to give better salesmen to industry.

President Pusey of Harvard has dealt fundamentally with the same problem. In speaking before sons and friends of Harvard who send their sons in turn to Harvard, he pointed out that the parents of all students want their sons to become reasonably aggressive men, outward-going in makeup and attitude, and to be the type of citizens who will have influence and ability, by way of these virtues, when they enter the world of business and professional affairs.

But how, President Pusey asked, can we produce such students if we do not have adequate means to hire professors themselves endowed with these qualities? Here, then, in the better product for business which will be created if colleges can have the means to employ high-quality professors, is an excellent argument for better support of our colleges by industry.

My good friend, the late Professor Sumner Slichter, once said that he liked to teach young students, but he was not quite prepared to give all his time and energies to these young people who would not rise to positions of influence for another 20 or 30 years. Therefore, he proposed to devote a part of his time to the education of people who had influence right now and for whose good influences neither he nor our fast-moving society would have to wait 20 or 30 years.

To employ good "salesmen professors" would in a few years transfer this selling job from the shoulders of college presidents to the shoulders of outstanding members of the faculty. But such professors require better stipends and salaries. They require research facilities and funds.

Here again for the far-seeing college president is another sales argument for business. Presidents must, however, see the need for such "super-competent" men for their staffs. It is not possible to start acquiring and keeping such men all at once. But the pledge to start can be made, and as progress is reported back to business supporters, more funds will be obtained to make still more progress. Business must find good men and able men for its staffs or it will reflect losses and eventually be liquidated. Perhaps just a little of the same business technique applied to the selection and subsequent records of able professors, along with higher salaries, will provide added incentive.

Former President James B. Conant of Harvard, in a famous article in "Time" was quoted as saying, "For me the scholar's work must have relevance." He added his view that the scholar who merely collected more footnotes than his colleagues in the field was engaging in a form of escapism to be compared to stamp collecting.

Perhaps a good suggestion for all of us, including colleges and college professors, is: Be relevant in all things, and all things will be given to us.

Stresses Importance of Writing

If I may be permitted, I would say that one of the great fields of selling, decision-making, and the liberating arts, is writing. Writing feeds our spirit and has done so through the ages. The art of literature is the art of capturing the reader's attention and then charming his senses or convincing his mind. And that is salesmanship. Direct, practical, simple thoughts, clearly stating the case for the President's college in his letters and literature will be of great assistance to him in his approach to business.

As part of the college president's teaching and analysis, he should not only think out his problems and his reasons why business should donate more, he should spend at least as much time and effort finding the ways and means of teaching this to the businessmen of his community. One of these ways is to have his institution participate more in the community and to show businessmen that they help the community by helping the college. Also, he can show businessmen that by supporting education and assisting others to give to education, leaders in the world of business make themselves into better and more effective businessmen. The benefits which flow to their companies are large indeed.

Finally, may I suggest, lest there is a feeling I am putting too much stress on salesmanship, that college presidents think over what it is they have to sell—the tools of power, progress, spiritual, moral, and scientific advance in man's struggle to improve himself and better his environment. Further, let me remind them again that it is not their buildings and playgrounds that do this, but the quality of their teaching staff. In their personal approach to corporation executives, they have individually the ability to demonstrate this, and I have not the slightest doubt that their salesmanship will succeed in the sale of the product on a basis profitable to their institution and to the nation.

*An address by Mr. Bullis at the President's Seminar on College Financing, Minneapolis, Minn.

Morrison, Frumin In Detroit Opens

DETROIT, Mich. — Morrison & Frumin, Inc. have announced the formation of their new firm and their election to membership in the Detroit Stock Exchange. The company will do a general stock brokerage business with offices in the Penobscot Building, Detroit. Officers are Murray Frumin, President and A. I. Morrison, Secretary. Mr. Frumin was formerly with Paine, Webber, Jackson & Cutris and more recently a Vice-President of Moreland & Co. Mr. Morrison has been in the advertising and sales promotion field in Detroit for many years.

Elected Director

Henry T. Bodman, president of the National Bank of Detroit, was elected a director of Burroughs Corporation at the firm's annual meeting, it has been announced by President Ray R. Eppert.

Current Market Prospects

By Robert H. Wessel, *Associate Professor of Economics, University of Cincinnati, Cincinnati, Ohio*

Convinced that his earlier recommendation is still sound, Prof. Wessel again advises convertible bonds to both the prudent and speculative investor and suggests investment areas for each. Preference for this type of security is based upon an examination of the direction of the price level, of the future of business and of the investor's attitude. The author is unwilling to accept the proposition that inflation is a buried issue, and he points to the greater decline in stock prices than in convertibles.

The recent decline in stock prices has alarmed many security owners and at the same time created widespread concern that a serious business recession is in the offing. As a result it is not surprising that investors want to know just what has happened and what to expect.

Dr. Robert H. Wessel

Actually the recent course of stock prices is not hard to explain. As I pointed out earlier in the year (cf. *Chronicle*, Feb. 18, p. 1, "Today's Stock Market Values and the Longer-Term Prospects"), either a failure of the economy to reach expected goals or an abatement of the investing community's fear of inflation would bring about a substantial reduction in the level of the market. To some extent both of these things have happened. The decade of the sixties opened on a note of high optimism. Unfortunately, first quarter results failed to live up to expectations. Industrial production inched downward, steel mill operating rates declined, automobile sales lagged behind expected levels and dealer stock mounted.

At the same time that general business results proved disappointing, what Federal Reserve Board Chairman William McChesney Martin referred to as a "liquidation of inflation psychology" apparently took place. Investors no longer seemed concerned over the possibility of further deterioration in the value of the dollar in the near-term future. Presumably this change of attitude stemmed from the prospective surplus in the Federal budget and from easing commodity prices.

In view of these developments the sagging market is easily understandable. The expectations of booming business and inflationary price movements upon which the 1959 year-end high was based have passed from the scene.

What we have just pointed out is neither new nor startling. Many responsible analysts have perceived what has been going on and have presented cogent analyses of the situation. The big question now is what lies ahead. This depends upon two things: the course of business over the next few months and the attitude of investors toward the business outlook and the inflation problem. I think most of us would agree that a continued decline in the over-all level of economic activity will almost certainly be accompanied by falling stock prices—at least until an upturn is in sight. Unchanged or improving business conditions, however, present a number of possibilities. Stability or moderate advance unaccompanied by expectations of a boom or further price level increases should produce a sidewise movement or a modest rise. A revival of the boom psychology or the resurgence of fear of inflation, however, could easily get another bull market underway.

We shall begin by considering the future of general business and then take up the investor attitudes which seem most likely. Finally, we shall make recommendations which seem propitious under expected conditions.

Finds Business Picture Improving

At present the business picture is looking up. In April, personal income rose to a new all-time high. The seasonally adjusted annual rate reached $397.4 billion, $3.4 billion above March of this year, and $18.4 billion higher than the rate in April, 1959. Construction activity picked up sharply, and even farm income registered a substantial gain. In April, automobile sales responded to improved weather and brought an end to the accumulation of dealer stocks. This brighter sales picture continued into May, with sales in the first third of the month running 5% above April and 6.5% above May, 1959. In fact, it now looks as if 1960 may be the second best year on record.

The outlook for high level business outlays on plant and equipment also continues to be quite encouraging. A McGraw-Hill survey made in late March and early April suggests that for the year it will run to $37.9 billion, which would be 16% ahead of 1959 and 6% higher than was expected last October. Although superficially adverse, even the inventory situation is not unfavorable. Since we did not go into an inventory building boom earlier this year, stocks of most types of goods are still reasonable in relation to sales. As a result, in most lines the necessity of working off excessive inventory accumulations is not present. This should eliminate one source of weakness expected in the third quarter.

Hence, despite declining steel output and trouble spots here and there, the over-all picture adds up to the prospect of stable and in all probability improving business over the months ahead. We must also not forget that the forces working in this direction may well be augmented by increased defense expenditures. Despite initial statements by some Administration officials to the contrary, it looks as if one outcome of the ill-fated Paris conference will be a "beefing up" of our missile and bomber strength. Other phases of the defense program will probably receive some attention too. All such expenditures will contribute to better business in the months ahead.

How should the improving business climate affect stock prices? Even in the absence of the return of the inflation psychology, the influence should be moderately favorable. Earnings can be expected to improve from their not too unsatisfactory first quarter levels. In addition, some sectors of the market have been oversold. This should lead to corrections on the upside. Consequently, even if investors do not expect a boom or renewed inflationary pressures, the outlook is favorable.

Holds Inflation Is Not Buried

However, I am unwilling to accept the proposition that the inflation issue has been laid to rest once-and-for-all. The mere fact that for the time being commodity prices are sagging, and that the budget calls for a surplus, are insufficient to convince me that the combination of aggressive labor union wage policy, administered prices most of which are flexible on the upside only, along with expanding money demand will not continue to push price levels higher over the long pull. Therefore, I cannot help but feel that the recent period of stability represents nothing more than a breathing spell, and that the forces of inflation will soon put in an appearance once again.

This reappearance will be hastened if defense expenditures are stepped up considerably. It would not only contribute to the spending stream; at the same time it would eliminate much or all of the budget surplus upon which hopes for price stability have in large part been built. The international crisis could also affect prices in another way. If fear of shortages should develop, rapid inventory accumulation would almost certainly follow. In addition, consumer expenditures would probably rise as well. One need only remember the first few months of the Korean crisis appreciate the effect this sort of thing can have on commodity prices.

Thus we see that the investor may well start thinking about the inflation problem once again. If he does, we are all well aware of what the result will be. Not only will the market respond to improved business news, but anticipated profits will be capitalized at lower rates—which means security buyers will be willing to pay higher prices for expected earnings. This all adds up to the very real prospect of a brisk and perhaps protracted rise in stock prices.

The possibility of adverse developments, however, should not be overlooked entirely. The favorable factors in the business outlook enumerated before may peter out or fail to materialize. Also, investors may temporarily ignore the possibility of renewed inflationary pressures. In addition, the increased defense expenditures, which seem so likely today, may not in fact materialize and the possible renewal of the cold war could conceivably fail to make an imprint on investor attitudes. Such developments might lead to a sidewise movement or a continued downward market drift. Nevertheless, these possible courses of events seem much less likely than those discussed previously.

Sticks to Convertible Bonds Recommendation

In view of these considerations what course of action should the prudent investor follow: For those with a conservative bent I still like convertible bonds. Many are attractively priced even though profitable conversion is not too far away. When this is the case the investor can enjoy the safety a senior security provides and at the same time receive the protection against inflation and the speculative advantages of common stock.

Since I first recommended convertible bonds in February, common stocks in general have declined. Yet during this same period most convertibles have held steady and many have risen considerably. Even where they have been on the downside, they nonetheless in most cases have provided the protection investors desire. For example, while the common stock of the Sinclair Oil Company slipped from 56 to 37, a decline of 34%, the convertible bond fell less than 7%, from 103 to 96. The use of convertibles need not be confined to conservative accounts.

The more speculatively inclined can also avail themselves of the protection these securities provide as long as common prices are not too far away from profitable conversion and excessive premiums need not be paid for the bonds. Right now I particularly like the Phillips Petroleum 4¼s 87 and the General Time 4¾s 79.

Conservative buyers can still find good values in the utilities and the food chains. The former group has edged up slowly but surely since I suggested purchases in February, while the latter has held its own during the intervening period. The prospects for both still appear attractive.

Oils for the Venturesome

For venturesome purchasers, today's market is one of opportunity. Many whole groups as well as individual issues have been oversold and hold forth the prospect of substantial recovery. Barring serious international complications, the oils are a good case in point. Everyone knows that this industry is suffering from but one important problem — oversupply which has led to price cutting and reduced profit margins. Should members of the industry show restraint, this problem could be resolved.

For example, such firms as Socony Mobil have drastically cut refinery runs and actually reduced inventories. If others follow this lead, the industry's most vexing difficulties will be short-lived. In view of the chorus of statements from petroleum executives, all stressing the oversupply and price-cutting problem, there is reason to believe that limitations of production may soon follow. As Socony Mobil, President Nickerson, put it, "I think that the industry has learned something from its 1959 experience and from the heavy level of runs in the first two months of this year."

After all, excess capacity is not peculiar to the petroleum industry. Most lines of American business now can produce considerably more than they can sell. Whether this produces serious problems depends on how the industry reacts to the situation. In most, a policy of restraint and price maintenance protects profits for all. It is not too much to expect that the oil industry, recognizing the source of its difficulties, will soon behave in a similar manner. If this occurs and profit margins are restored, a substantial recovery from currently depressed levels should ensue. Although by no means a sure thing, it looks like a worthwhile speculation.

A speeding in defense spending should improve the outlook in many lines that are heavily dependent on government purchases. Electronics, aircrafts and precision equipment are cases in point. Basic industry should also benefit.

Many interesting special situations can now be found. For example, it looks as if magnesium can be used in many more ways than formerly supposed. Particularly important are possible applications in the automobile industry. This could lead to substantial profits for magnesium producers. Here Dow, of course, is dominant. However, Alabama Metallurgical, jointly owned by Calumet and Hecla and Brooks and Perkins, have recently entered the picture.

All in all, the prospects for making money looks good for those willing to assume reasonable risks.

Chadwick With Frank Knowlton

(Special to THE FINANCIAL CHRONICLE)

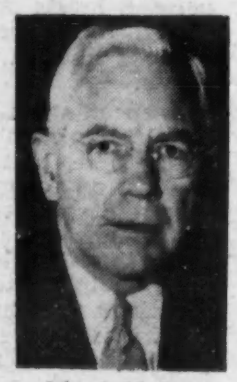
SAN FRANCISCO, Calif. — Nathaniel S. Chadwick has become associated with Frank Knowlton & Co., 465 California Street. Mr. Chadwick was formerly partner in Management Investment Programs. Prior thereto he was with the San Francisco office of E. F. Hutton & Company and in the past was Vice-President and portfolio manager for National Securities & Research Corporation.

The Future for Small Size Nuclear Power Plants

By John A. McCone, Chairman, U. S. Atomic Energy Commission Washington, D. C.*

In projecting the tremendous future growth of power in this country, Mr. McCone declares an increasing percentage of our new growth will come from nuclear power sources. The reasons why we need small to medium sized competitive nuclear power plants and the dramatic possibilities of achieving this goal are made clear in Mr. McCone's paper. The national head of our atomic program discusses various projects underway that will contribute significantly to the solution of the problems which he lists and, also, the solution which will bring competitive power from the atom closer to reality for both private and public power.

Electric power producers, both public and private, supply the material foundation of our American way of life. By that I mean this: Most modern conveniences enjoyed in our homes, on our farms, in our industrial plants and elsewhere are made possible by electricity for light, power or heat.


John A. McCone

This electricity is generated, transported, and delivered in abundant quantities to the consumer, wherever he may be, at very low cost by the Nation's utility industry. This availability and low cost create demand and stimulate progress.

It is this electric energy—800 billion kilowatt hours of it this year from plants having a generating capacity of 175,000,000 kilowatts—that makes the United States the greatest country in the world today. Further, it is the 15,000,000 kilowatts of generating capacity added to this vast plant each year that will keep the United States in the lead.

In power we can measure America's growth. Power production and consumption also provides a yardstick by which we may compare our country's growth with the growth of others, particularly the Soviet Union.

We have heard claims by Soviet leaders—made often and loudly—that within a few short years they will pass us. It is true the Soviets are growing. This is to be expected. In any society undergoing transition from the candle and the oil lamp to the electric light —from hand power to the electric motor — from the old-fashioned icebox to the new refrigerator. This growth is commendable; and it is good—for it advances man's welfare. Such growth and progress should be encouraged everywhere, and it is gratifying to me that such growth is taking place in most countries throughout the world.

But, let us compare our standings. In 1950, the United States produced three-hundred and ninety billion kilowatt hours of electric power — three-hundred billion more than the Soviets. Today, we are producing 800-billion kilowatt hours of electricity in a single year. This is 500 billion more than they. And projecting the future, it appears from the most solid and dependable estimates that in 1970 we will produce about one-trillion, 500-billion kilowatt hours which is 600-billion more than the optimistic projections of Soviet production.

The facts are revealing.

Relatively, the United States is stronger today than it was ten years ago. Relatively, the United States will be stronger ten years from now than it is today; and, it will continue to be stronger than the Soviet Union—despite their claims.

This is true for the simple reason that, in the modern industrial age, a nation's potential is measured largely in terms of its power production and consumption. In this repect, the figures I have recited are convincing and, to me, most gratifying.

Predicts Increasing Use of Nuclear Power

An increasing percentage of our new growth will come from nuclear power sources. In the years immediately ahead the atom will supply power where conventional fuel is costly. Later, the areas of our country to be served by nuclear power will expand as atomic power costs reduce.

This is true because men of great ability and courage, generously supported by both Government and industry, are now on the threshold of solving the difficult problems of transforming into heat and electricity the energy contained in uranium. Their efforts will make it possible to do this at competitive and, therefore, acceptable costs.

Nuclear technology is fast becoming indispensable for countries lacking in inexpensive fossil fuel supplies. Britain is one example; Japan is another; India is a third; and there are still others.

In my own State of California, rising power demands are forcing the importation of natural gas from distant regions such as Texas and Alberta, Canada. It, therefore, appears that nuclear power, in its present state of development, is now competitive in some parts of California. One power company recently announced serious negotiations for the design and construction of a 360,000 kilowatt nuclear power plant. This decision was based on the conclusion that the plant would produce power in that area at costs competitive with a conventional plant —over its lifetime.

Negotiations for other large plants are under way in California. The same is true in other areas of the United States, as an example—in the Northeast, where future needs for power might best be supplied by atomic means. And, I repeat, this is based on economic considerations.

The Commission favors such undertakings. We will support them in every way possible. We are doing so with great satisfaction, for it appears that the hard, and sometimes discouraging task of extracting competitive power from the atom is being accomplished. It is our duty to encourage construction of these plants. The American people—who have so long and so generously supported our efforts — must now benefit from the results of our research and development.

Why We Must Improve Small Plants

But, we are not complacent with these developments. Nor will we rest merely on the hope that they will spread to other areas. We recognize that these are large plants. We also recognize that enormous numbers of consumers throughout the United States obtain their power from relatively small plants. I am speaking now of plants of 20 to 50 thousand kilowatts electrical capacity. These consumers, too, will suffer from higher power costs as fuels become more expensive and more difficult to obtain. Hence, we believe that we must continue our diligent effort to solve the problem of producing low cost competitive nuclear power from small and medium size units.

This is true because of the needs of consumers in our own country. It is also true because of the value of small plants in foreign lands where economic development is just beginning. There, power demands are now relatively small, although they are increasing rapidly.

Therefore, perfecting technology for small plants has two purposes from the Commission's standpoint: First, to meet the needs of large numbers of consumers in our own country, and second, to serve as an instrument of our foreign policy.

I am speaking of a difficult problem, for many factors seem to militate against progress in reducing the cost of nuclear power from small and medium size units. Bringing these costs down to within the range of conventional power from the same size unit is a hard technical and engineering job.

First, small plants themselves are now expensive to construct. The plant cost per kilowatt is very high by comparison with conventional plants. If this cost is to be amortized over a reasonable period, the resultant charge to the unit cost of power produced is very high indeed.

This is discouraging; but it is a fact. A year ago, the Commission made an exhaustive study of the cost of three types of plants —the pressurized water, the boiling water, and the organic. All were in sizes of approximately 25,000 kilowatts. The estimated power costs for these different reactor types were remarkably close. But, all of the plants were costly when compared with conventional plants of equal size.

Higher costs are attributable to both the conventional generating equipment and to the nuclear reactor. The generators are more expensive than those used in conventional plants because steam comes from present reactors at relatively low temperatures and low pressures. This calls for larger turbines and more costly auxiliaries.

Likewise, the nuclear plant is more costly than the boiler it replaces. By comparison, it is large; the foundations and in fact all aspects of the construction are costly; and then the entire structure must be surrounded by a large and expensive containment vessel.

Added to this are the special arrangements for handling irradiated fuel in and out of the reactor. These arrangements include handling devices operated remotely, large water-filled storage space for cooling the highly radioactive spent fuel, and finally, special arrangements for shipping.

To give you comparative figures, it is apparent from our study that the generator and its auxiliaries cost approximately 15% more than the equipment used in conventional plants. And, the nuclear reactor costs four or five times more than the boiler which it replaces.

To indicate the effect of these excess plant costs on power costs in mills per kilowatt hours is difficult because of differing capital charges used throughout industry and differences in the assumed load factor. However, if we take an 8% capital charge — to cover interest, depreciation and amortization — and assume a 60% load factor throughout the life of the plant, the additional capital cost of nuclear power would be on the order of four mills per kilowatt hour. In a plant of 25,000 kilowatts capacity this four mill capital increment represents an additional annual cost of $530,000.

But, there are other factors that go into the total cost of power. Operation and maintenance charges are one. Here, it is our opinion that after a shake-down period a nuclear plant can be operated and maintained for about the same cost as a conventional plant of similar size.

With respect to fuel, the picture is more encouraging.

The fuel cycle costs of the plants we have studied are on the order of three and one-half to four mills per kilowatt hour. This includes the charge for consumption of uranium-235, the fabrication of uranium into fuel, and the reprocessing of spent fuel; all of which enter into the fuel cycle cost.

This is the equivalent of conventional fuel at 35 to 40 cents per million BTU. Looking at it another way, it is equivalent to good quality coal at $6 per ton or bunker "C" fuel oil at $2.20 per barrel.

For the long term the Commission is of the opinion that, over the lifetime of any power plant, the cost of conventional fuel will follow the inevitable inflationary trends that we are witnessing in all segments of our economy.

Conversely, we expect the cost of the nuclear fuel cycle to come down.

For one thing, uranium is cheaper than it has been. This trend might continue in years to come. Hence, the fuel produced from uranium will be favorably affected from the consumers point of view.

For another thing, the large elements of cost resulting from fuel fabrication and reprocessing will, in our opinion, come down dramatically as these intricate manufacturing operations are developed into production line operations.

How Plant Costs Can Come Down

Even so, this lower fuel cost—at it stands today and as it now appears for the future—does not off-set in small plants, the very high capital charges that must be absorbed. Therefore, the Commission is attacking the problem of finding ways to bring down the cost of the plant, and thus, the cost of the power produced. It appears that this can be done in many ways. Simplified design, standardization, and improved techniques of containment are but a few.

Increased power density is perhaps the most promising way of all. Here the diligent work of our scientists is producing spectacular results. I have reported several times that the second fuel-core of the Shippingport Reactor will raise the power level of that plant from 60,000 kilowatts to 150,000 kilowatts electrical equivalent with no increase in the size of the reactor core vessel.

The new high density core in our experimental boiling water reactor at Argonne will increase the power level of that plant from its original design of 20,000 kilowatts thermal to 100,000 kilowatts; again, with no increase in the size of the core vessel.

These improvements are dramatic. They are breakthroughs that must not go unheeded, for here lies one of the great hopes for competitive nuclear power in small plants.

A second and highly important development is nuclear superheating, thus improving the low temperature steam produced in reactors. If we can superheat steam economically, we solve the problem of more expensive generating units and attendant auxiliaries.

We are well on the road to success here.

In Puerto Rico, the Commission will build a 16,000 kilowatt boiling water, nuclear superheat reactor. We expect construction to start this fall. In South Dakota, a 66,000 kilowatt plant with integral nuclear superheat is well advanced. In Idaho, the Commission's Borax-5 reactor is nearing completion. It is being built to demonstrate various solutions to the problems of superheat.

From these experimental plants, all of which I believe will meet with success, will come some needed answers to this critical problem of nuclear superheat which I have been discussing.

Simplification and standardization of plant design are also vitally important.

We must work toward the day when pumps, valves, and even pressure vessels are standardized. At the point where these and other components can be produced by conventional production line methods, costs will come down. These cost reductions will then be added to others and the competitive position of nuclear power will be further advanced.

As we continue to build plants we are gaining the experience necessary to eliminate many costly arrangements in the systems. These are necessary now to insure operation and safety. Nevertheless, we can forecast that with further development work equally satisfactory and far less costly plants will evolve.

Containment of the reactor to

insure protection of the public in the highly unlikely event of trouble is presently a costly feature of nuclear plants. We are working on cheaper ways of providing adequate containment. Results are encouraging but for the immediate future we must bear the present cost of containment because alternate methods now developed do not afford great savings.

Difficulty in Selecting a Suitable Site

It will be equally necessary that plant locations be chosen with care. Municipalities find it difficult to locate their plants at places distant from their customers.

The Commission is developing criteria which can be applied to select a suitable site. Generally, the site must provide an adequate exclusion area and a sufficient remoteness from areas of high population density. These criteria must provide adequate protection to the health and welfare of the public. At the same time, they must not impose unnecessary conditions that would be prohibitive for the utility.

The Commission finds it difficult to issue site criteria today. Being in a developmental phase, each plant is different; therefore, each plant raises separate and independent considerations with respect to a proper location which will afford reasonable protection to the public.

A year ago, the Commission issued a tentative general statement of criteria. This serves as a preliminary guide to utilities.

As more experience is gathered by the Commission and by industry these criteria will be reviewed and modified. However, I now urge all interested in nuclear power to study and become familiar with our general statement.

The Commission is carrying on a comprehensive program in its determined effort to answer the problems of producing low cost power from small nuclear reactors.

Let me outline some of the projects.

Recently, we have concluded a contract, and now engineering and construction are under way on a 16,200 kilowatt boiling water, superheater reactor. It will be built under a Second Round arrangement in cooperation with the Puerto Rico Water Resources Authority.

This plant will contribute importantly to our knowledge of nuclear superheat. The integral nuclear superheat used in this reactor is one of the most attractive means for achieving the high steam temperatures and high thermal efficiencies to permit use of modern turbine - generator equipment.

As you know, we have received five proposals from communities interested in a small 16,500 kilowatt pressurized water reactor with a 5,500 kilowatt conventional superheater. We have now requested the two organizations, whose proposals were responsive to our invitation, to offer new sites as the sites originally proposed did not provide acceptable exclusion areas nor remoteness from population centers.

This project will serve to demonstrate the current status of pressurized water technology for this size reactor. In addition to a usefulness in this country, such reactors are of particular interest to foreign countries.

Los Angeles and Anadarko, Okla. Proposals

Many are aware that we recently invited utilities to join with us in a project for a 50,000 kilowatt improved cycle, boiling water reactor. Two proposals were received — one jointly from the City of Los Angeles and the City of Pasadena, and one from the Western Farmers Electric Cooperative of Anadarko, Okla.

The improved design to be tested in this plant will make significant cost reductions possible. It will eliminate some complexities of the dual cycle boiling water system. But, it will have: the capability of direct response to variation in power demand, increased power density, improved control features, and simplified containment.

Construction of the Commission's 22,000 kilowatt boiling water reactor at Elk River, Minn., is now 65% complete. Start-up is scheduled for 1961.

Because of its small size, the Elk River reactor will be of particular interest to cooperative and municipal utilities.

In the City of Piqua, Ohio, the Commission is building an 11,400 kilowatt organic cooled and moderated reactor. This plant was 82% complete at the end of February.

Operation of the Piqua plant will supply valuable information on system performance, reactor control and stability, and further information on coolant and fuel element performance.

The organic plant is particularly attractive due to low coolant pressures. Also, use of the organic coolant makes possible simpler and cheaper construction. This leads directly to decreases in capital costs.

The Commission has begun construction of a 30,000 kilowatt experimental gas cooled reactor at Oak Ridge, Tenn. This project will develop technology for using helium coolant with high temperature uranium oxide, stainless steel clad fuel elements. The high coolant temperatures will lead to high thermal efficiencies and the use of modern electrical generating equipment.

A counterpart gas cooled reactor, being built by the Philadelphia Electric Company, represents more advanced technology. That reactor will be unique in using a uranium - thorium - carbide fuel mixture in graphite, with a stainless steel cladding. Helium will be used as the coolant in this 40,000 kilowatt plant.

The higher temperatures of this reactor will make even greater thermal efficiency possible, with the use of modern electrical generating equipment. Also, the reactor has potential for further cost reductions if a fuel can be developed which would not require stainless steel cladding.

In summary, the six projects discussed above, as well as others, will contribute significantly to the solution of the problems I have outlined and these solutions will bring competitive power from the atom ever closer to reality.

Incorporating New Ideas

But, we do not intend to stop here. As our laboratories develop technology indicating improvements leading to lower cost power, we will incorporate these improvements in new demonstration and prototypes.

Our criteria will be very simple: Will this idea contribute to the goal of cheaper and, therefore, more competitive nuclear power in the size range under consideration?

We do not believe in building plants solely for the sake of building plants. Neither do we believe in building plants just for the sake of trying out a new idea.

The Commission must insist that a potential development be an important building block in its program. If this can be proven, we will go forward. If it cannot, we will continue further research and development in our laboratories in hope that by so doing the economic value of the concept will become apparent.

I must call attention to the fact that studies for our long-range program — which involved the careful analysis of the many processes now in the development stage — indicate that expenditures on the order of $3 or $4 hundred million is required to bring an idea from the laboratory to the status of a reactor which will produce dependable competitive power. Only then does a process have value to utilities, to consumers, and to the taxpayers.

Therefore, we cannot look lightly upon the translation of scientists' and engineers' ideas into demonstration plants. We must be sure that the interests of the consumers, taxpayers, and utilities are being served.

This is a hard, tough, costly job. Our Nation's consumers need power from both large and small plants. The Commission plans call for a rapid solution to the technical problems that stand in the path of attaining this goal.

Classical and theoretical arguments about the place of public and private power in our society and economy have no usefulness whatsoever in this developmental program.

Certainly such arguments will not assist in providing the technical information we need to make nuclear power economic. It will only make the job more difficult.

The Commission will continue its policy of developing plants needed by all. Furthermore, when the Commission is administering public funds, the technology, the patents, and other essential information will be available to all on equal terms.

***An address by Mr. McCone before the American Public Power Association Convention, Washington, D. C., May 5, 1960.**

R. Owen Joins Kidder, Peabody

LOS ANGELES, Calif. — Richard E. Owen has become associated with the Los Angeles office of Kidder, Peabody & Co., 210 West Seventh St., members of the New York Stock Exchange and other principal stock exchanges. Mr. Owen will be in charge of the order and trading departments. He has been in the investment business for many years, and was formerly associated with Crowell, Weedon & Co.

Richard E. Owen

Watson & Friday Open

NEW BRUNSWICK, N. J.—Franklin L. Watson and Nicholas Friday have formed Watson & Friday with offices at 103 Bayard Street to engage in a securities business.

New NASD District Officers

Elections have been completed for 1960 Officers of the District Committees of the NASD. New district officers are:

District No. 1 (Alaska, Idaho, Montano, North Dakota, Oregon, South Dakota and Washington): Chairman, Harold L. Temple, Vice-President, Campbell & Robbins, Inc., Portland, Ore.; Vice-Chairman, John K. Marshall, Resident Manager, Foster & Marshall, Spokane.

Harold L. Temple

Verdon Collins Smith

Edward Mader

Creston A. King

A. J. Goodwin, Jr.

John A. Kruse

Frank H. Sellman

District No. 2 (California, Nevada and Hawaii): Chairman, Verdon Collins Smith, partner, Lester Ryons & Co., Los Angeles; Co-Chairman, Van S. Trefethen, partner, Shuman, Agnew & Co., San Francisco.

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District No. 13 (Maine, Massachusetts, New Hampshire, Rhode Island and Vermont): Chairman, Frank H. Sellman, Manager Boston office, Spencer Trask & Co., New York.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Stocks were back in their indecisive rut this week after the hectic seesaws that the Paris conference inspired last week. And the accent, where there was demand, was on the space age items, notably the electronics.

* * *

For the industrial average there was definite resistance around the 625-630 area, which had been predicted by a good many of the market technicians. Street sentiment, however, was hopeful, particularly since Memorial Day is close by and the tradition is for better prices during the summer months. So there was an optimistic feeling that the resistance would be gobbled up in time.

Steels Worrisome

Steels were among the worrisome spots, particularly since operations continue to work lower and U. S. Steel has scheduled layoffs at some of its plants. The auto business wasn't overly cheerful, including a shutdown by Studebaker that carried its regular stock, the when-issued shares and the preferred all to new lows for the year.

* * *

Du Pont held its ground in fair style despite the Supreme Court's decision to review the facts in the anti-trust case that calls for it at least to divest itself of voting control of the huge bundle of General Motors stock it has held for years. The Court could overrule a lower court decision allowing it at least nominally to retain the shares, but the review is off in the future and won't come up until the fall term.

General Motors similarly saw little to fear from a possibility that is not imminent and coasted for the most without any determined price action.

Summitry and the Aircrafts

The play in aircrafts that the disrupted summit conference set off, simmered down rather quickly, but in the process a new attitude toward the plane shares seems to have been born. The theory is that with the cold war definitely on, they at least have no reason to continue to slide downhill and, in time, will find their fortunes improved from new defense orders.

* * *

Martin Co. is still rather widely regarded as an aircraft rather than an electronic and missile company. Its largest single project currently is the Titan intercontinental ballistic missile which was a cause for woe in its early stages, but on which all the bugs now seem to have been ironed out. Martin consequently seems to be an item of good value at present and could get dynamic on any increase in its orders. Added emphasis on the changed nature of its operations these days was provided at the year-end by figures showing 90% of its backlog was in missile and space projects. As for its financial showing, the company seems to be on a definite uptrend, boosting revenues and earnings some 15% in the first quarter this year. It is further indicated that its \$1.60 dividend requirement will be covered about three times over when this year's final results are posted. The return on the cash payment is around 3½% to which was added a 5% stock payment early this year.

Oils Still Nervous

Oils were back in a quiet mood after their momentary play with some involved in Cuba having occasional trouble when the country dissolved their distributing contracts.

* * *

Standard Oil of Jersey was one that showed nervousness again, continuing the pattern of occasional buffeting that has been underway for some two years now. In the process this top investment grade issue has been pounded down to levels where its yield of 5.4% is attractive. And any improvement in market sentiment might find the issue showing good appreciation.

Jersey Standard certainly has had problems, not all of them solved yet. But the company is not a stalemated giant and has been busily expanding in the allied sections of the petroleum business, such as natural gas, petrochemicals, plastics etc. It is the largest petrochemical producer in the country and rates second largest in the world. Its busy research department is continually expanding the market for petroleum products. From the earnings low of 1958, 1959 results showed a modest increase and projections for this year indicate the recovery will continue. A turn in the company's fortunes seems to have been negotiated.

The Graphic Arts—And Electronics

There has been some preference apparent for companies in the graphic arts field, including such as American Photocopy and Harris Intertype. In the case of Harris it is difficult to determine whether the graphic arts work or the magic of electronics is the motivation.

Harris Intertype moved into electronics a couple of years ago by acquiring one electronics firm and last December added another to where it is estimated a fifth of its gross business is now in electronics. And the avowed aim of the company is to build this up until it is on a par with its printing equipment. On the plus side in this issue are expectations that the current \$1.50 dividend will be covered three times over by earnings of its fiscal year that ends next month. That obviously makes the dividend a candidate for improvement and the small capitalization of only a little over a million shares adds stock-split possibilities to it.

* * *

The area where there are few shares available for the entire group, and stock action occasionally is hectic as a result, is the dental supply section. It is comprised of only three giants — Ritter, White Dental and newly listed Dentists' Supply.

Of this group, White is the colossus, rated as the world's largest maker of dental equipment. White's capitalization is a mere 383,000 shares. Ritter has 1,177,000 shares, Dentists' Supply 1,224,000. That means only around 2¾ million shares combined.

White has a good earnings and sales record. Its revenue has grown by around 10% a year and the profit has nearly doubled in the last half dozen years. It has been available for less than nine-times the projected earnings for this year and lately has been available at less than the \$41-plus working capital, so the issue represents anything but an overvalued equity. Its 5% yield is definitely above-average and, in fact, an increase could be possible in its payment which currently is less than half of the anticipated earnings for this year.

* * *

A well-acting issue in the specialty category lately has been Adams-Millis Corp., commonly grouped with textile companies in most market conversation. But in recent years the company has energetically spread out beyond that field into supplies for computers, control panels for electronic machines and magnetic tape, the latter line added only last January.

Adams-Millis last month merged with MAC Panel, in which it previously had only a 57% interest, and the new company on a pro-forma basis should get a fifth of its income and three-fifths of its profit from its non-textile operations. This is also a low-capitalization item, less than three-fourths of a million shares outstanding and some 10% of these closely-held.

* * *

The week's casualties included some items, like Cutler-Hammer, where first quarter business was not up to expectations. Montgomery Ward was also in this category, but here the company blamed bad weather. In the case of Cutler-Hammer, profit was up but the company president in a financial survey of his operations noted that incoming orders and the business level were not as high as had been predicted. Despite the slow starts, the managements of these companies are still optimistic about full-year results.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

THE SECURITY I LIKE BEST . . .

Continued from page 2

parent company. Through Famous Players Canadian Corp., Ltd., International Telemeter is now conducting an extensive test of its theatre-in-the-home system in a suburb of Toronto. It is still much too early to determine the final outcome. Basically this form of entertainment appears to have merit. As contrasted to the decline in movie theatre attendance during the past decade, old motion picture libraries have proved to be an important source of program material to television broadcasting. This suggests that people still enjoy motion pictures but are hesitant to leave home to go to a movie theatre. Obviously if this system of home theatres were to prove successful in Canada, Paramount would undoubtedly introduce it into the U.S.A. and might well open up a new and tremendous area of growth.

Telemeter Magnetics, Inc., is an offshoot of International Telemeter. It was 91% owned by Paramount prior to the 1959 financing (now 75%). The company was formed in 1956 and developed into an important supplier of ferrite core memory systems used in advanced electronic computers. During 1959, the company sold 150,000 shares of its common stock at \$5.50 per share. They apparently caught the fancy of the investment community as reflected by the current market price of 15. This gives the 631,000 shares owned by Paramount a market value of \$9.4 million.

Autometric Corp., a wholly owned electronic subsidiary of Paramount, has developed a system of evolving best decisions from masses of conflicting information. Its activities are closely allied to the defense effort. Paramount releases little information about Autometric, but has stated that it operates profitably and that current requests for its services are in excess of its ability to supply such demands. The rate of its annual volume reputedly exceeds \$10 million.

Operations of Famous Players Canadian Corp., Ltd., a 51% owned subsidiary, are consolidated with those of Paramount. The company operates some 350 theatres in Canada. Its own stock is listed in Montreal and at current price levels reflects a market value of some \$17.7 million for Paramount's 888,500 shares.

Paramount owns about 634,000 shares of Allen B. DuMont Laboratories, Inc. Recently its directors voted in favor of accepting an offer made by Fairchild Camera & Instrument Corp., a company that appears to have interesting growth potentials in the camera and electronics fields. If the deal is consummated, Paramount would receive about 42,000 shares of Fairchild stock representing a market value approximating \$6.3 million. The DuMont holding is carried on the books of Paramount at \$450,000.

Paramount has invested considerable sums in the development of the Lawrence color tube which has found some military and commercial uses. The tube is still too high priced to successfully compete in the television market. Prospects for its commercial development are clouded.

Other important assets owned by Paramount include television station KTLA in Los Angeles, the largest independent television station operating in the area; Dot Records, Inc.; and important real estate including some 40 acres of studios and land in central Los Angeles, the Paramount Building (office building) in New York City, and the holdings of Famous Players Canadian. (Total gross book value of land, buildings, equipment and leaseholds is \$62.8 million. Net after depreciation—\$29.4 million.) Consolidated working capital equals \$71.8 million whereas long-term debt totals \$16.8 million and minority interests \$16 million.

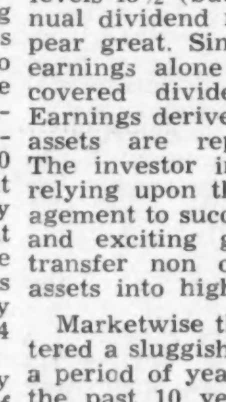
It would not take any great stretch of the imagination to ascribe a prospective asset value of over \$80 per share Paramount. Stocks, however, do not ordinarily move upward on the basis of asset values. On the other hand, the downside risk around current levels 45½ (buttressed by a \$2 annual dividend rate) does not appear great. Since 1949, operating earnings alone have consistently covered dividend requirements. Earnings derived from the sale of assets are reported separately. The investor in this situation is relying upon the ability of management to successfully enter new and exciting growth fields and transfer non or low productive assets into higher earning assets.

Marketwise the stock has registered a sluggish performance over a period of years. During each of the past 10 years it has consistently sold within hailing distance of its stated book value, (presently over \$46). Nevertheless its technical position must be strong because of the company's policy of purchasing its own stock, which in turn tends to eliminate disappointed or bored holders.

Paramount capital stock is not considered as being of investment grade. It is only recommended to the patient holder who is seeking limited downside risk combined with an interesting growth potential.

NYSE Reelects J. T. Bidwell

J. Truman Bidwell has been reelected Vice-Chairman of the Board of Governors of the New York Stock Exchange, it has been announced.



J. Truman Bidwell

Mr. Bidwell was elected to the Board of Governors for a 3-year term in 1958. Prior to that he served from 1953 to 1958 as a member of the Exchange's Board of Arbitration. He has been a member of the Exchange since June, 1941, and acts as an independent floor broker specializing in institutional business.

Puerto Rico Investment Growth Subject of Two Recent Studies

Federal Reserve Bank of New York and the Government Development Bank for Puerto Rico independently, but coincidentally, publish an appraisal of Puerto Rico's investment progress and opportunities.

Two separate analyses of Puerto Rico, made within a few weeks of each other, survey private enterprise developments and the pace of investment growth in that Commonwealth of the United States.

According to "Puerto Rico—A Thriving Field for Investment," issued recently by the Government Development Bank for Puerto Rico.

Puerto Rico is now experiencing one of the highest rates of investment in the world and all indices used to measure and reflect the health of an economy are pointed sharply upward.

"Private Investment and the Industrialization of Puerto Rico," an eight-page illustrated survey appraising the island Commonwealth's decade-old "Operation Bootstrap" program was also issued recently by the Federal Reserve Bank of New York.

"Several dynamic forces have combined to accomplish this remarkable progress," the Puerto Rico Development Bank observes in their new booklet. "One has been the long range planning of the government to create a favorable climate for private initiative. The foresight of businessmen from Puerto Rico and the States has transformed this planning into practical reality.

"Another has been the marked advancement since World War II in transportation and communication. Once days away from the continental United States by boat, Puerto Rico is now less than four hours by daily jet flights from New York and less than three from Miami.

"Finally, there has been a growing awareness of Puerto Ricans that their way of life is no longer static, that increasing job opportunities are here and that Puerto Rican relationship with the United States is a sound and vital one."

Handsomely illustrated, the booklet graphically portrays the phenomenal industrial and social progress Puerto Rico has experienced in the last few years. It includes a tabulation of significant facts on the economy of Puerto Rico and charts showing the increases in electric power consumption, gross product, commercial bank loans and great gains at school enrollment.

"Investors, both individual and institutional, participating in the thriving progress of the Commonwealth are placing their funds in various ways," the booklet points out. "Many banks, insurance companies and individuals are investing in Puerto Rican bonds, either those of the Commonwealth, the municipalities of Puerto Rico or the several agencies of the Commonwealth such as the Puerto Rico Water Resources Authority, the Puerto Rico Aqueduct and Sewer Authority and the Puerto Rico Ports Authority, which from time to time market bonds in the United States.

"Others, industrial companies and individuals, are establishing plants in Puerto Rico, taking advantage both of the favorable exemption from Puerto Rican taxes extended by the Commonwealth to certain industries and the ample supply of labor at relatively favorable wage scales. Among the pleasant aspects of living and doing business in Puerto Rico are the Island's year-round mild climate and highly attractive living conditions.

"Still others are investing in Puerto Rico through the medium of mortgage loans. The industrial progress of Puerto Rico and the increase of tourism have created a pressing demand for better housing, new hotels and more office and industrial buildings."

N. Y. Federal Reserve's Analysis

Reprinted from the April, 1960, issue of the Bank's "Monthly Review," the New York Federal Reserve's study outlines the past record of Puerto Rico's industrialization effort as well as future problems and prospects.

The report detailed these developments as of considerable potential significance:

A foreign trade zone to be established in the Summer of 1960 at the west coast port of Mayaguez.

The current opportunities for establishing international trading corporations or "base companies" in the Commonwealth.

The accelerated growth of tourist development. "With the expansion of hotel and other facilities, tourism will become an increasingly important source of income and employment."

The authors pay particular attention to Puerto Rico's investment promotion activities in the U. S. such as advertising, direct mail, public relations and personal contacts. "The most important lesson of Operation Bootstrap," the report states, "is that a promotional program based on a careful assessment of a country's advantages as a location for industry . . . can play a decisive role in attracting capital and in stepping up the pace of industrialization."

The Federal Reserve Bank study is available without cost from Dept. PR, Economic Development Administration of Puerto Rico, 666 Fifth Avenue, New York 19, N. Y.

Keystone Elect. Comm. Stk. Off'd

J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc., both of New York, on May 20 publicly offered 200,000 shares of Keystone Electronics Co., Inc. common stock (par 25¢) at $3 per share. The dealer's concession was 30¢ per share.

Of the shares offered, 133,334 shares were offered for the account of the company and 66,666 shares for the account of certain selling stockholders.

The net proceeds will be added initially to the general funds of the company.

Keystone Electronics Co., Inc., a Delaware corporation, was organized on Jan. 8, 1960. On Jan. 30, 1960, it acquired all of the issued and outstanding stock of The Keystone Electronics Co., a Connecticut corporation which is engaged in the manufacture and sale of quartz crystals used principally as frequency control units for communications equipment and which, in turn, through a wholly owned subsidiary, Electronic Enterprises, Inc. (a New Jersey corporation) is also engaged in the manufacture and sale of special purpose electron tubes for military and industrial applications.

Form First Mutual Planning

BROOKLYN, N. Y.—First Mutual Planning Corporation has been formed with offices at 1324 East 99th Street to engage in a securities business. Officers are Mrs. Marilyn Jacobs, President, and Joseph Abelow, Secretary-Treasurer.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

If there was ever any doubt that the blow-up of the Summit Conference would be an issue in the forthcoming Presidential campaign it can now be dismissed.

Governor Stevenson has already said that Khrushchev blew up the Conference but Eisenhower handed him the crowbar. Senator Kennedy has been reported as saying that Eisenhower "probably" should have apologized, the Democratic Advisory Council has defintely made it an issue and, on Monday, Senator Morse of Oregon, said on the Senate floor that the Democrats would be derelict in their duty if they did not criticize a foreign policy that was leading us to war.

So for the next several months we can expect to hear how Eisenhower has almost gotten us into war through his policies. What is important is that he hasn't got us there and, Khrushchev, after his outburst in Paris seems to have calmed down. He is not talking about war. He postponed the issue of Berlin until after the next Administration comes in.

In the meantime, he hopes to influence the Presidential election. He is obviously in favor of the Democrats which can be the kiss of death. He is against Nixon. When Eisenhower said a few weeks before the Summit Conference that he might have to absent himself to return to this country, and that he would have Vice-President Nixon sit in his absence, Khrushchev said it would be like leaving a goat in a cabbage patch. This, then and there, showed that he had no intention of going through with the Conference, the U-2 plane incident or not.

There is a question of whether Khrushchev's obvious support of the Democrats, or rather his hope that they will win, is not the kiss of death. We have had instances of foreign intervention in our internal affairs before.

In 1792 Citizen Gent, who was the French Minister to the United States, wanted us to join the war against Britain. He became so active in this endeavor that George Washington ordered him home. He refused to go home and remained a resident of this country, though not as Minister of France.

In Grover Cleveland's second campaign for the Presidency, someone wrote the British Ambassador, Sackville-West, asking that as a former British subject whom he should vote for in the best interest of Britain. The British Ambassador replied that Cleveland would be the best President for Britain. The letter was a plant and became public. The result was that Cleveland was defeated but in the remaining months he had in office he shipped the British Ambassador home.

That the Russians should be more friendly to the Democrats is understandable. They gained their place in the respectability of nations through the recognition of Franklin D. Roosevelt. The Republicans over a period of 20 years had refused to recognize them.

That the Republicans are culpable in the U-2 incident is unmistakably true. But up to now there has been a grand show of standing behind the President on the part of the Democrats. Senator Johnson, the Democratic leader of the Senate and his assistant leader, Senator Mansfield, have taken the position that right or wrong this was the time when the President deserved full support. They, as well as other Democrats, were in the procession of Senators who went to greet Eisenhower upon his return home.

However, that is all off, both the House and Senate are going to conduct what are supposed to be quiet and dignified investigations. The investigations will go into our entire espionage system and the question of why the President authorized or permitted the U-2 flight just as the Summit Conference was coming up. The Republicans claim it was a big victory for the Administration because the flights over Russia were reassuring to the American people, in that we know just how much strength Russia has.

McDonnell Branch in Newark

NEWARK, N. J. — McDonnell & Co., Incorporated has opened a branch office at 36 Commerce St. under the co-management of William H. Hassinger and George L. Ripley, Jr.

U. S. Strategic Stockpile And Our National Plans

By John Davis Morgan, Jr., E.M., Ph.D.,* Consultant
Washington, D. C.

Evaluation is made of our strategic materials stockpile and present plans in juxtaposition with our national strategy and impact upon the economy in general, and the mining industry in particular. The author apprehensively declares that the possible sale of excesses up to $3 billion constitutes a real sword of Damocles over the mining industry of the world. He hopes careful consideration will be given to: (1) the possible losses in tax revenue; (2) unfavorable impact on friendly foreign countries; (3) possibilities of economic warfare on a wide scale; and (4) burgeoning world needs—before any large scale peace time sales of "so-called excesses" is embarked upon.

The uncertain world conditions of the present time require that the United States be prepared to meet: (a) all-out nuclear war with attack on the United States; (b) limited wars (anything smaller than (a); and (c) political, economic, and/or psychological warfare.

Dr. J. D. Morgan, Jr.

Our present position as a major world power derives in large measure from our free institutions and our great industrial productivity, and our productivity in turn depends on an ever-continuing flow of raw materials from the earth—metals, minerals, fuels, and agricultural products. The United States, with only about 6% of the world's population, uses from one-third to two-thirds of the world's annual supplies of most metals and minerals. The United States strategic materials stockpiling program is designed to enhance our national security posture: as stated in the preamble o. the Stock Piling Act, to decrease and prevent wherever possible a dangerous and costly dependence of the United States upon foreign nations for supplies of strategic and critical materials in times of national emergency.

In times past, the Good Lord himself has ordered some stockpiling. The Book of Genesis in the Bible tells how Pharaoh of Egypt was directed to set aside one-fifth of the produce of the land in each of the seven good years to meet the needs of the seven bad years that were to follow: this would be a stockpile of about two years' normal use. Our cultural heritage often reminds us of the wisdom of stockpiling, as in the case of the stories about the provident squirrels that gather their nuts in an orderly manner in the fall to prepare for the winter's cold. And the old proverb about a bird in the hand being worth two in the bush points out clearly the value of something that is directly at hand.

However, in World War I, the U. S. and Allied production efforts were seriously hampered by shortages of strategic materials, and the final report of the War Industries Board recommended a U. S. stockpile of strategic materials. Nothing was done, however, until the war clouds gathered in the late 1930s, and it was only in 1939 that the U. S. Congress passed the first Stock Piling Act. But shortgages of both funds and materials inhibited acquisitions, and the start of World War II saw only insignificant quantities of most materials in the stockpile. Consequently, again in World War II the U. S. and Allied production efforts were held back, allocation and limititations orders on materials were required, uneconomic forced-draft expansions of basic materials production had to be pushed, and our Armed Forces had to divert major forces to the secondary mission of protecting far-flung import shipping lanes and overseas raw materials sources. Having been twice burned by strategic materials shortages, the U. S. finally learned its lesson and in 1946 the Congress passed the postwar Strategic and Critical Materials Stock Piling Act that has governed stockpiling ever since. The U. S. S. R., too, understands clearly the value of state commodity reserves in war, as has been testified to by Vosnesensky, Chief of the Soviet State Planning Commission in World War II.

Stockpile Unpreparedness During Korean War

In the period from the end of World War II to the start of the Korean War, the stockpile grew by transfers of war surplus materials and by new purchases, although transfers were limited by the competing demands of civilian production and new purchases were limited by the funds available. In those days, too, some strategists moreover argued that sole U. S. possession of nuclear weapons of mass destruction made conventional wars (and thus strategic materials stockpiles) obsolete. However, a warning of the coming role of economic warfare was sounded when the U. S. S. R., from which the U. S. A. had been obtaining more than one-third of its chrome and about one-third of its manganese, abruptly shut off shipments of these materials as a part of the intensification of the cold war following the Berlin crisis of 1948. But, when the Korean War—a conventional one—started in mid-1950, the U. S. had on hand in its strategic stockpiles only about $1.6 billion worth of materials, compared to stockpile objectives of $4.1 billion. At the same time, accelerated defense production programs in the U. S. and abroad, coupled with scare buying, hoarding, and speculation, reduced materials availablities to the U. S. and sharply raised materials prices. Again, the U. S. defense production effort was seriously hampered by materials shortages; priorities, allocations, and limitation orders were again required; and responsible defense mobilization officials became determined that this would not be allowed to happen again.

Seeing our forces retreat in Korea in 1950, and having no assurance that the Korean War would not spread, supply expansion programs were launched under the Stock Piling Act and under the new Defense Production Act and new accelerated tax amortization authority of 1950. These expansion programs were intended to increase domestic production, to stimulate needed production in strategically accessible sources, and to build up stockpiles. In the first few weeks after the start of the Korean War, the Congress appropriated nearly $1.2 billion for stockpiling. However, copper, which had not been bought prior to the war at 16 cents a pound because of inadequate funds, soon rose to 36 cents; tin, which earlier had not been bought at 50 cents a pound, went up to $1.80; and tungsten, which had not been bought at $10 (ex duty) a unit, went up to $80. Prices of most other strategic materials also rose. The failure to build adequate stockpiles prior to the Korean War was revealed as both dangerous to the national security and costly in money as well.

Using accelerated tax amortization, contingent purchase contracts, and stockpile contracts in appropriate combinations, major expansions of metal and mineral production were stimulated in the years immediately after the start of the Korean War. For example, steel capacity — which had been about 90 million tons—was raised to about 125 million tons with assistance provided by accelerated tax amortization, and capacity now has been expanded further by private enterprise to about 147 million tons. Aluminum primary capacity, which had been about 800,000 tons was raised to about 1,700,000 tons through accelerated tax amortization and five-year contingent purchase contracts involving nearly $1.6 billion, and capacity has since been further expanded to about 2,600,000 tons by private enterprise. Perhaps the greatest proportionate expansion took place in the case of domestic tungsten mining which, under the stimulation of a guaranteed high price, rose from a low of about 3 million pounds in 1949 to a high of nearly 16 million pounds in 1955, or almost double U. S. industrial consumption. Supplies of almost every other strategic material were stimulated.

In 1950, 1951 and 1952, the increasing supplies were channeled mainly to current industrial consumption where most materials were needed for defense or defense-related production. Then, when the Korean War ended, defense production was cut back, but many mineral supplies continued to increase. For a while, non-commercially marketable supplies flowed into both the strategic stockpile and the Defense Production Act inventories rather freely, but gradually stockpile objectives were achieved. The Congress then extended certain Defense Production Act purchase programs through the Domestic Minerals Program Extension Act of 1953, and then in 1956 the Congress launched the ill-fated Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act. Also in 1954, the Congress in the Agircultural Trade Development and Assistance Act created the Supplemental Stockpile of strategic and critical materials. The supplemental stockpile was intended to be above and beyond the regular strategic stockpile. Then, by the Agricultural Act of 1956, the Congress permitted strategic and other materials obtained by the Commodity Credit Corporation as a result of barter or exchange of surplus agricultural commodities to be transferred to the supplemental stockpile and the CCC to be reimbursed therefor. Stocks accumulated under each different law must now be handled differently.

For example: in normal times, materials in the strategic stockpile generally cannot be disposed of (other than for obsolescence) without express approval of the Congress, although they can be released by the President for purposes of the common defense. However, materials in the supplemental stockpile can be released only with the approval of the Congress. But no such limitations apply to materials in the Defense Production Act inventories, which are now held off the market only as a matter of administrative policy.

June 30th Holdings

As a result of the activities under the various laws described above, the U. S. Government's strategic materials holdings (largely metals and minerals) as of June 30, 1959, were as follows:

Strategic Stockpile:	Billion
On hand toward Basic Stockpile Objectives	$2.5
Additional on hand against Maximum Stockpile Objectives	1.4
So-called "Excess" to objectives	1.9
Supplemental Stockpile (on hand)	0.7
Defense Production Act Inventories (on hand)	0.8
Total	$7.3

The tonnage of all strategic materials on hand is about 40 million tons, of which about 33 million tons are metals and minerals.

The so-called "excess" referred to above, to which must also be added the supplemental stockpile and much of the Defense Production Act inventories, results largely from the reduction in mid-1958 of the basic time period for stockpile planning from five years to three years. Also, in previous years there was a rule to the effect that stockpile objectives should be at least one year's normal U. S. use, and this, too, has been cut back. The cut from the five-year to the three-year basis was dictated largely by considerations of economy, for its resulted in less cash being needed for new purchases, more outstanding contracts being made subject to negotiated termination, and in some quarters it raised the hope that major quantities of the so-called excesses could promptly be sold off in peacetime for cash that would be useful in reducing the increasing national debt. However, it is difficult to understand how any quantity can be officially labeled as excess when the government has not yet made definitive determinations of requirements under conditions of nuclear attack, nor determinations as to the need for materials in the recovery and rehabilitation period that would follow.

Improved High Temperature Materials

While stockpiles of most commonly used industrial imported raw materials are now in good shape, there still remains a very important area that requires further attention: high - temperature and special property materials, the use of which can be expected to increase sharply in the future in military, atomic energy, space, and defense - related industrial production programs. For example, there are a number of critical programs where improved temperature - resistant materials are required to overcome limitations imposed by the nature of existing materials. These programs would include the aircraft, rocket, and missile programs of the several armed services, the space vehicle programs of the National Aeronautics and Space Administration, and the nuclear power programs of the Atomic Energy Commission (including the vessel programs in cooperation with the Navy and Maritime Commission). Table 1, however, shows that there are only a limited number of elements which possess temperature - resistant properties; and most temperature-resistant compounds are made from one or more of these elements. Of course, temperature resistance is by no means the only property in which significant improvements must be made to permit the U. S. to stay in the forefront of weapons and industrial technology. Accordingly, stockpile objectives based only or largely on past usage patterns cannot properly be expected to provide for future defense and emergency needs for new and improved materials in the high-temperature and special property category. That more attention to basic materials research is required was revealed by the statement of the President of the National Academy of Sciences-National Research Council in the Spring of 1959 in appointing the special Committee on the Scope and Conduct of Materials Research. The Report of this Committee makes a number of administrative and substantive recommendations which, if effectively carried out, should certainly result in substantial acceleration of U. S. materials research, with consequent increased demand for high-temperature and other special property materials as research results are translated into production programs. In this area, then, it is imperative that the government try to assess the supply-demand situation for every potentially needed element or material for from five to 10 or more years in the future, so that appropriate provision can be made by stockpiling potentially needed materials when they are available at reasonable prices well in advance of future periods of acute need.

TABLE I

Melting Points of All Elements Above Iron (and Selected Ones Below)

(In Degrees Fahrenheit)

Carbon—Graphite	6692
Tungsten	6143
Rhenium	5738
Protactinium	5432
Tantalum	5425
Osmium	4892
Molybdenum	4752
Ruthenium	4532
Iridium	4449
Columbium (Niobium)	4379
Hafnium	3866
Boron	3632-4172
Rhodium	3571
Chromium	3434
Zirconium	3353
Ytterbium	3272
Platinum	3223
Vanadium	3110
Thorium	3074
Titanium	3074
Actinium	2912
Palladium	2829
Iron	2802
Cobalt	2723
Yttrium	2687
Nickel	2651
Silicon	2606
Beryllium	2332
Copper	1981
Aluminum	1220
Zinc	786
Lead	621
Tin	448

Stockpile objectives were previously determined by the Munitions Board of the Department of Defense and are now determined by the Office of Civil and Defense Mobilization in the Executive Office of the President, with advice from the several Departments and Agencies concerned, including the Departments of Defense, State, Commerce, Interior, and Agriculture, and the Atomic Energy Commission. As might be expected, the Department of the Interior provides much detailed advice on the basic metals and minerals, while the Department of Commerce provides information on the uses and supplies of many important metals and compounds. Stockpile objectives are generally computed by comparing estimated emergency requirements to estimated emergency supplies over a 3-year period. Indicated deficits generally become stockpile objectives. Emergency requirements include: military (army, navy, air force, marines); atomic energy; essential industrial; essential civilian; and essential exports (of either raw materials or finished articles). Emergency supplies include: domestic mine production; recovery from scrap; reliable imports from nearby sources; and reliable imports from distant sources. To arrive at estimates of reliable supplies, certain safety factors or discounts are applied to normal commercial supplies, based on advice of responsible government agencies. The Basic Stockpile Objectives still assume some reliance on the distant overseas sources, and consequently an effort is made to complete the basic stockpile objectives as quickly as possible. The larger Maximum Stockpile Objectives assume reliance only on nearby sources and domestic production, and once the basic objectives are achieved, acquiring the additional

increment toward the maximum objectives is given lower priority.

Notes Limited Amount of New Procurement

Seventy-five materials are now listed as strategic and critical for stockpiling, and 58 of these are metals and minerals, ranging from antimony to zinc and including almost every imported material. Some metals and minerals are also stockpiled where the U. S. is normally considered self-sufficient, as in the case of molybdenum and vanadium; and some materials are stockpiled that are primarily manufactured articles as in the case of synthetic abrasives, diamond dies, and jewel bearings, either because emergency requirements would be larger than normal supplies or because of particularly vulnerable processing facilities. Not all of the metals and minerals on the stockpile list are eligible for inclusion in the supplemental stockpile by the barter route, however, as additional consideration such as short-term commercial availabilities are brought into the determination of the barter list. Also, only a limited number of the stockpiled metals and minerals are included in the Defense Production Act inventories, but in some cases the DPA inventories include large quantities of a particular material in relation to normal consumption. Counting materials on hand in all inventories, the basic stockpile objectives for 69 of the 75 materials were on hand as of mid-1959, while maximum objectives for 57 were also on hand. Consequently, new procurement is now limited to only a few items.

The form in which materials are stockpiled varies. Some, such as manganese and chrome have been stockpiled as manganese and chrome ore, as ferromanganese and ferrochrome, and as manganese metal and chromium metal. Others, such as copper, lead, zinc and tin are stockpiled almost wholly in the ingot or bar form. Some ores are upgraded to higher forms in order to off-set especially vulnerable processing capacity, and so the stockpile contains compounds like tungsten carbide, ferro-vanadium, molybdic oxide, oxygen-free high-conductivity copper, and beryllium-copper master alloy. Naturally, the upgraded forms represent more stockpiled power, transportation, facilities, manpower, and time — all of which are likely to be in short supply in an emergency.

Cites Civil Defense Recommendation

The relatively large stockpile inventories of many common imported materials offer a better degree of protection to the U. S. A. than did stockpiles at any time in our past. These inventories would be most valuable not only in the event of some shooting war but also in the event that important foreign sources of raw materials were to be cut off by political or economic warfare or natural disasters. Nevertheless, questions keep coming up as to whether new techniques of warfare might make strategic materials stockpiles less useful.

Accordingly, in 1957, the Director of the Office of Defense Mobilization appointed the high-level Special Stockpile Advisory Committee, composed of persons outside the Government. This Committee noted the generally satisfactory stockpile status of common imported industrial materials and recommended that emphasis now be shifted from raw materials to finished items and vital supplies for survival, relief, and rehabilitation in the event of nuclear attack. (Present civil defense stockpiles are now valued at only about $225 million.) The Committee also emphasized the need for establishing a mechanism to appraise the possible effects of research and development activities on requirements for high-temperature and special property materials for the reasons already discussed at some length in an earlier paragraph of this paper.

The Committee noted that Government inventories of several materials already exceeded the 3-year maximum stockpile objectives, but went on to point out that expansion of supplies of metals and minerals usually requires considerable time and major capital investment, that the storage of most metals and minerals is relatively inexpensive, that consumption thereof can be expected to increase rapidly with industrial expansion in the U. S. and abroad, and that readily mineable domestic ore bodies have been substantially depleted and the grade of many ores being mined domestically was declining. Consequently, the Committee recommended that, in the light of current world and domestic defense, political, and economic conditions, all metals and minerals now in U. S. Government stocks suitable for use in normal commercial processes be retained unless required for use in the interest of national security.

However, the above recommendation as to retention has not been fully accepted by the Office of Civil and Defense Mobilization (which came into existence in mid-1958 through consolidation of the old office of Defense Mobilization and the Federal Civil Defense Administration). In fact, in the latter part of 1959, the Office of Civil and Defense Mobilization served notice that it planned to ask the Congress for revision of the several stockpiling laws to permit moving all materials excess to the 3-year maximum stockpile objectives into a new "reserve" stockpile, from which disposals could be made within a relatively short time period unless the Congress specifically rejected a disposal proposal (a much easier arrangement than the present requirement for express approval).

While undoubtedly certain safeguards to protect normal business would be proposed to be included in the amended legislation, the fact that serious consideration is now being given to facilitating selling off up to $3 billion worth of strategic materials — not primarily for national security purposes but rather to redeem the investment therein—poses a real sword of Damocles over the mining industry of the world. It is hoped that careful consideration will be given to the possible losses in tax revenues from U. S. citizens and companies, as well as the unfavorable impact on friendly foreign nations that look to raw materials sales as important sources of dollar income, before any large-scale peace-time sales of the so-called excesses is embarked upon. In fact, if there were broad understanding of the terrible possibilities of economic warfare on a wide scale, as well as the effects of long-term depletion of mineral ore bodies coupled with rising demand for metals and minerals as the burgeoning world population tries everywhere to increase its standard of living, our concern for the long-term future of the U. S. as the primary bastion of the free world should have us hard at work seeking to evaluate all the potential threats ahead, and adding to our national reserves of strategic materials while the time to do so is still in our favor.

*An address by Dr. Morgan at a meeting of the Council of Economics of the American Institute of Mining, Metallurgical and Petroleum Engineers at their National Convention in New York City.

Gale, Fisher & Sutton

Gale, Fisher & Sutton, Inc. is conducting a securities business from offices at 250 West 57th St., New York City. Officers are Jerry Gale, President; Burton D. Fisher, Vice-President; and Xavier F. Sutton, Secretary-Treasurer.

Why the Summit Conference Broke Up As It Did

By Roger W. Babson

Writer sums up the political and military reasons lying behind Khrushchev's breakup of the Summit Conference.

It does not seem reasonable that the Summit Conference of the four largest world governments broke up suddenly in a turmoil without a cause.

The Spy Incident

Khrushchev must have known for a long time that we were flying spy planes over Russia and that it was a routine thing with our Intelligence Service. Surely it could not have been the real reason for the Summit Conference breakup. Something else must have happened to cause Mr. Khrushchev to give President Eisenhower an ultimatum and demand the abject apology which Khrushchev of course, knew he would not get.

It also was a general surprise when President Eisenhower indicated that the U-2 spying would be suspended, at least for the time being, though many interpret this as a final concellation. Many rumors are flying in the various capital cities as to the reasons for the collapse of the Summit Conference and the calling off of the spying.

A Real Probable Reason

When I was in Moscow a short time ago, I heard the United States bases discussed. The United States, it was said, was depending mainly upon these missile bases which surround the Russian empire. Furthermore, it was understood that in the event of the outbreak of World War III, these missile bases would be the first targets of attack; that is, Russia would first try to destroy these.

Also while in Russia, I heard that the U. S. bombers were to be gradually withdrawn following the U. S. Defense Department's disagreement as to whether we should depend upon bombers or upon missiles and rockets. This may have been another "Eisenhower compromise." Also when in Russia, I heard much about rocketry and missilry. Rockets are necessary to perform stunts in space, such as going around the moon; but there are various types of missiles that are sufficient for fighting on land or water. They can be fired from East Germany to any city in the United States, or from any of our cities to Russia.

What Khrushchev Knew About Bases

What may have made Khrushchev so ugly and insistent on an apology from Mr. Eisenhower is that he was just learning of these mobile bases. For instance, now most rocket bases are fixed. Mr. Eisenhower, however, was probably informed that the mobile rocket bases are a practical success. If this is true, the United States may have no further need of spies to discover rocket bases in Russia. Furthermore, the United States may be able to give up rocket bases in countries now surrounding Russia.

The land-based mobile rocket will work as follows: Instead of being on a fixed foundation, it will be on a heavy weighted car operating on heavy rails. This mobile base could be moved each night so that it would be constantly in a different location. Some nights it might be moved only 25 miles, other nights a hundred miles. Furthermore, at junction points it could be shifted to another railroad. Of course, Russia will also adopt mobile bases, but she has no such railway systems as we have. This would make the work of both the United States and Russian spies more difficult and dangerous.

Other Possible Reasons For Khrushchev's Sudden Leaving

Khrushchev probably had news from Moscow which caused him to destroy the meeting before it opened. It may have been some action of the Presidium directly after he left Moscow, or he may have felt that some other man was looking for his job and he had to be home to protect it. He may have heard that the younger element in Moscow is getting aroused, as in other countries, demanding reduced armament expenditures so that they may have more consumer goods. He may have been informed before the meeting that he would not get satisfactory action on Berlin.

Finally, Khrushchev must have been anxious to get home to speed work on his submarine fleet, as submarines will eventually take the place of all land bases, fixed or mobile. The Chinese Government, too, may have passed along threats to him which he could not ignore. At any rate, knowing he was blocked on all the most crucial subjects, he saw that it would be impossible to get any agreement on a reduction of armaments.

Richard Cowitt With Wm. St. Sales

Richard I. Cowitt has joined William Street Sales, Inc., 1 William St., New York City, as regional sales representative, Edward B. Burr, President of the company, has announced.

Mr. Cowitt will serve investment dealers in the metropolitan New York area for the company, which is national distributor for The One William Street Fund, Inc., and Scudder Fund of Canada Limited.

A sales and sales management executive for many years in the mutual fund field, Mr. Cowitt was most recently Vice-President of Sales for the North American Planning Corporation.

With Burgess & Leith

(Special to The Financial Chronicle)

BOSTON, Mass. — Seymour M. Niles has become connected with Burgess & Leith, 53 State Street, members of the New York and Boston Stock Exchanges. Mr. Niles was previously with Schirmer, Atherton & Co.

Pacific Veg. Oil Debentures Off'd

Dean Witter & Co. and Hooker & Fay, Inc. and Associates on May 19 publicly offered $2,500,000 of 6% convertible subordinated debentures due April 1, 1975 of Pacific Vegetable Oil Corp. at 100% plus accrued interest from April 1, 1960 to date of delivery.

These debentures are convertible at the principal amount thereof into capital stock at $17.50 per share if converted on or before March 31, 1963; $20 per share if converted thereafter and on or before March 31, 1966; $22.50 if converted thereafter and on or before March 31, 1969; and $25 per share if converted thereafter and on or before March 15, 1975. The conversion price is subject to adjustments as provided in the Indenture.

The company was incorporated under California law on Feb. 6, 1926, under the name of Pacific Vegetable Oil Co., Inc. Its name was changed on Dec. 31, 1934, upon merger with Pacific Oil Mills Co., to Pacific Vegetable Oil Corp. Its principal executive offices are located at 62 Townsend St., San Francisco, Calif. The company is engaged primarily in the buying, processing, manufacturing and selling of vegetable oils and meals, grains, animal fats, and marine oils, including high protein cattle and poultry concentrate and fertilizer raw materials.

The company presently plans to use approximately $600,000 of the net proceeds to retire its 6¼% promissory note held by the Bank of America National Trust and Savings Association, the original proceeds of which were used to restore to working capital a portion of expenditures made for plant and equipment at Richmond, Calif., and to build a mill at Culbertson, Montana. Approximately $431,250 of the net proceeds will be used to pay the balance of the negotiated price for minority interest of Utah Construction & Mining Co., in Stockton Elevators. The balance will increase working capital, which is needed by the company to meet the increasing volume of its business.

Jaffee to Admit

Jaffee & Co., 2 Broadway, New York City, members of the New York Stock Exchange, on June 1 will admit Elaine L. Ross to limited partnership.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Insurance Stocks

GREAT AMERICAN INSURANCE COMPANY OF NEW YORK

Among the 1960 first quarter fire and casualty underwriting results being reported, Great American's recovery trend is outstanding. In 1959 underwriting losses were reduced from —6.2% for 1958 to —0.3%. The combined expense-loss ratios, measuring underwriting improvement, totalled 97.8% for a 1960 first quarter profit margin of 2.2%. Reductions were registered in both the loss ratio and the expense ratio to 59.4% and 38.4% respectively from 70.8% and 38.8% for the first three months of 1959. The employment of rigid economies and of more selective underwriting of risks largely accounts for the improvement.

Stockholder consciousness may well be fortified from the recent request by company management that authorized common shares be increased by 140,000 to 3,035,511 shares in order to issue stock options to key personnel. Proceeds are to be used for general corporate purposes.

Founded in 1872, the Great American Group presently ranks among the top 20 stock fire-casualty underwriters. The company operates in all states and U. S. territories, in Canada, and in the free world through the American Foreign Insurance Association. Markets are serviced through approximately 14,000 agents as well as through insurance brokers. With the Home Office and the Foreign Department based in New York City, the Group has departmental office headquarters at Chicago, San Francisco, Raleigh, Detroit, Dallas and Toronto, Ontario.

The merger of four subsidiary companies with the parent, which became effective December 31, 1958 for the purpose of economies from simplified corporate structure, has favorably affected operating expenses. The remaining subsidiary, The American National Fire Insurance Company, fills the need for additional production facilities in certain areas. Early in 1960, the formation of Great American Life Insurance Company was announced to make possible the sale of life insurance in combination with other lines for a complete insurance "package." As a wholly-owned affiliate of Great American Insurance Company, the life company starts out with capital and surplus of $2 million.

New high records were attained by Great American in 1959 with respect to amounts of premiums written, admitted assets, policyholders surplus, investment income and operating profit.

Selected Statistics — Growth and Underwriting Control

Year	—Net Premiums— Written*	Earned*	Admitted Assets*	†Loss Ratio	‡Expense Ratio	Profit Margins
1959	$147.3	$147.7	$387.9	61.2%	39.1%	—0.3%
1958	144.9	146.8	371.0	65.2	41.0	—6.2
1957	146.5	143.4	318.1	67.8	40.4	—8.2
1956	135.1	130.8	327.0	63.3	40.7	—4.0
1955	125.8	125.3	315.4	58.5	40.9	0.6

*In millions of dollars. †Losses incurred to premiums earned. ‡Expenses incurred to premiums written.

A modest increase of 1.7% in premiums written was achieved despite elimination of substantial premium volume in less desirable territories. Underwriting performance was above industry averages for Inland Marine, for other than Auto Liability and Property Damage, and for Auto Physical Damage lines, even though Auto Physical Damage gained at the expense of a 10.5% decline in premiums written, and the Other Liability lines gained at the expense of a premium written decline and still registered a loss. The best percentage gain for Great American was achieved in the Multiple Line classification as has been the case in the past several years due to changing market conditions favoring convenient package policies.

During 1959 a "Select Driver Automobile Insurance Plan" was introduced to meet increased competition and to reduce processing costs. This year a 10% reduction in premiums for auto coverages on compact cars is being offered in conjunction with the Select Driver Plan. Remedial underwriting measures, rate increases, and operational expense control were factors at work for the reduction in underwriting losses attained.

Fire lines account for approximately 60% and casualty lines represent about 40% of the classes of insurance written. The more important fire lines include Fire, Extended Coverage, and Auto Physical Damage. Auto Bodily Injury, Workmen's Compensation, Auto Property Damage and Other Bodily Injury account for the leading casualty lines. Generally, casualty business was again unprofitable in 1959. However, overall underwriting performance is turning profitable in contrast to the past four years. Investment income was able to offset underwriting losses during three of the past four years.

Per Share Statistics

Year	Approximate Price Range	Investment Income	Total Earnings	Indicated Dividend	Approximate Book Value
1960	45 - 41			$1.60	
1959	48 - 35	$4.05	$3.85	1.50	$81.57
1958	46 - 31	3.74	0.61	1.50	76.94
1957	39 - 25	3.51	—0.55	1.50	61.49
1956	42 - 32	3.51	2.36	1.50	68.13
1955	46 - 36	3.20	2.78	1.50	67.99
1949	24 - 19	1.74	3.66	0.83	34.94

The strong capital position provides the capacity for resumption of strong premium growth. Investment income is high on a per share basis and further gains are expected for 1960 due to higher interest rates and increased dividend payments on the company's sizable portfolio. Common stocks alone had a market value of $70 a share at the end of 1959. Based on prescribed values, securities owned were distributed as follows as of Dec. 31, 1959: Bonds 30.7%, Preferred Stocks 8.7% and Common Stocks 60.6%. The larger stock holdings include Standard Oil of New Jersey, Texaco, Christiana Securities, Eastman Kodak, IBM, Gulf Oil, Chemical Bank New York Trust, Dow Chemical, General Electric and Shell Oil. During the year new funds were placed mainly in U. S. Government securities of less than five years maturity.

In December, 1959 the dividend rate was increased from $1.50 to $1.60 and further liberalization is considered a near-term possibility. At the recent price of 42, a yield of 3.8% is obtained on the $1.60 dividend. Although Great American has been slow, until the past year in its recovery from adverse industry underwriting conditions, the stock represents one of the quality issues which is selling at a considerable discount from its book value.

Economics of Capital Formation

The Economics of Capital Formation will be the subject of the tenth annual session of the University of Vermont on the nature and operation of security markets to be held in New York City from June 20th to July 29th, 1960. The course, which is directed by Dr. Philipp H. Lohman, is presented as a joint venture of the New York Financial community and the University of Vermont.

The course carries graduate or undergraduate credit of six semester hours. Registration is limited and should be filed with the Director of the Summer Session, 147 Waterman Building, University of Vermont, Burlington, Vt. Tuition for Vermont residents is $90, for non-residents, $150. New students should mail a $10 deposit with their application, which will be credited toward tuition.

Subjects to be taken up during the session are:

Role of the Financial Industry in the Process of Capital Formation—Dr. Philipp H. Lohman.

Problems and Prospects of Economic Development Abroad—Kenneth M. Spang, The First National City Bank of New York.

An Investment Banker Looks at Public Utilities—Frederick L. Miller, Blyth & Co., Inc.

Economic Outlook—Harold X. Schreder, Distributors Group, Inc.

New York Stock Exchange—Its Organization and Its Member Firms — John H. Schwieger, Vice-President of the New York Stock Exchange.

New York Stock Exchange and the American Economy—Edward C. Gray, Vice-President of the New York Stock Exchange.

Floor Procedure and Round-Lot Trading on the New York Stock Exchange—Adolph P. Morris, Estabrook & Co.

Specialist on the New York Stock Exchange — Robert J. Jacobson, Benjamin Jacobson & Sons.

Odd-Lot Trading on the New York Stock Exchange — Stuart Scott, Jr., Carlisle & Jacquelin.

Listing of Securities on the New York Stock Exchange, Phillip L. West, Vice-President of the New York Stock Exchange.

Put and Call Options — Herbert Filer, Filer, Schmidt & Co.

Financing Philosophy and Stockholder Relations of a Listed Company—L. Chester May, American Telephone & Telegraph Co.

Stock Ticker and Quotations—Philipp H. Lohman.

Economic and Social Functions of the American Stock Exchange—John J. Sheehan, Vice-President of the American Stock Exchange.

Listing of Securities on the American Stock Exchange—Martin J. Keena, Vice-President of the American Stock Exchange.

Floor Procedures — Arthur A. Bellone, American Stock Exchange.

Admissions and Outside Supervision—H. Vernon Lee, Jr., American Stock Exchange.

Quoted Markets in Over-the-Counter Securities—L. E. Walker, National Quotation Bureau.

Over-the-Counter Securities Markets — Col. Oliver J. Troster, Troster, Singer & Co.

Practices and Techniques in the Over-the-Counter Market — Carl Stolle, G. A. Saxton & Co., Inc.

Writing Market Letters — Lucien O. Hooper, W. E. Hutton & Co.

Analysis of the Technical Action of the Stock Market—Edmund W. Tabell, Walston & Co., Inc.

Role of the Investment Banker—Originating and Underwriting—Edward Glassmeyer, Blyth & Co., Inc.

Role of the Investment Banker—Syndication and Distribution—Robert A. Powers, Smith, Barney & Co.

Regulation of the Securities Markets—James C. Sargent, Commissioner of the Securities and Exchange Commission.

Outlook for the Rails—Pierre R. Bretey, Hayden, Stone & Co.

Money Market—Philipp H. Lohman.

Commercial Banks and the Money Market—H. C. Brewer, Jr., First National City Bank of New York.

Federal Reserve and the Credit Market—Thomas O. Waage, Federal Reserve Bank of New York.

United States Government Securities and the Money Market — Peter D. Sternlight, Federal Reserve Bank of New York.

Use of Projections and the Feel of the Market—Paul Meek, Federal Reserve Bank.

Federal Reserve Policy Formation—Robert Stone.

Investigating for Life Insurance Companies—William R. Cowie, Equitable Life Insurance Company.

Direct Placements With Life Insurance Companies—William R. Cowie.

Corporate Bond Market—Jonas H. Ottens, Salomon Bros. & Hutzler.

United States Balance of Payments—Current Issues—Haskell P. Wald, Federal Reserve Bank of New York.

Municipal Securities—J. Sheafe, Satterthwaite, Jr., Granbery, Marache & Co.

Revenue Bonds—Albert F. Milloy, First Boston Corporation.

Role of the Analyst in the Securities Industry — Richard R. Fields, Jesup & Lamont.

Investment Management of Pension Plans —Selection of Investments—David S. Carroll, Chase Manhattan Bank.

Portfolio Management — Montague H. Zink, Continental Research Corporation.

Outlook for the Auto Industry—Charles N. Morgan, Jr., Bache & Co.

Financing Small and New Firms Under the S. E. C.—Irwin R. Frumberg.

Evaluation of the Steel Industry—Thomas E. McGinty, Model, Roland & Stone.

Aluminum Industry—Philip E. Albrecht, Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Outlook for Atomic Energy — Paul F. Genachte, Chase Manhattan Bank.

Outlook for the Air Transport Industry—John Hoving, Air Transport Association of America.

Policies and Operations of the World Bank—

Securities Printing and Its Significance to Investors—S. A. Slaymaker, American Bank Note Company.

Maintaining Sound Relations With Stockholders—H. J. Meier, Standard Oil Company of New Jersey.

Role of Oil in World Energy—J. V. Whittlesey, Standard Oil Company of New Jersey.

Financing Oil Operations at Home and Abroad—Charles L. Scarlott, Standard Oil Company of New Jersey.

N. Y. Exchange Elects Officers

At the annual Election meeting of the New York Stock Exchange the following officers were elected:

Edward C. Werle

Chairman of the Board of Governors: Edward C. Werle, Scheffmeyer, Werle & Co.

Members of the Board of Governors (for three years): Richard M. Crooks, Thomson & McKinnon; Stephen A. Koshland, Carl M. Loeb, Rhoades & Co.; John J. Phelan, Nash & Co.; Edwin H. Stern, E. H. Stern & Co.; Robert J. Lewis, Estabrook & Co.; Michael W. McCarthy, Merrill Lynch, Pierce, Fenner & Smith Inc.; Charles P. Cooley, Jr., Cooley & Co. (Hartford); William C. Roney, Wm. C. Roney & Co. (Detroit), and Robert J. Shuman, Shuman, Agnew & Co. (San Francisco).

Trustees of the Gratuity Fund: (for three years) William K. Beckers, Spencer Trask & Co., and John Rutherfurd, John Rutherfurd & Co.; (for two years) Robert J. Hamershlag, Hamershlag, Borg & Co.

Nominating Committee: Robert L. Cahill, Cahill, Smith & Gallatin; William V. Couchman, Winslow, Cohu & Stetson, Inc.; George C. Dinsmore, Stokes, Hoyt & Co.; Robert Le Brecht, R. W. Pressprich & Co.; Herman N. Liberman, Jr., Warner, Jennings, Mandel & Longstreth; Milton S. Steiner, Steiner, Rouse & Co.; John W. Dayton, Jr., Clark, Dodge & Co.; Richard de la Chapelle, Lee Higginson Corp.; and Robert A. Powers, Smith, Barney & Co.

Joins Fusz-Schmelzle

(Special to THE FINANCIAL CHRONICLE)

HARRISBURG, Ill. — Charles H. Burnett is now connected with Fusz-Schmelzle & Co., Inc., Boatmen's Bank Building, St. Louis. He was previously with Newhard, Cook & Co.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

The Chase Manhattan Bank, New York, has appointed three new Vice-Presidents in the metropolitan department. George Champion, President, announced. They are James A. Barry in the Bronx and Washington Heights division, Stanley V. Malek in the Staten Island division, and Howard Sneed at the 60 East 42nd Street branch.

Mr. Barry joined the Bank of the Manhattan Company in 1930. He was appointed an Assistant Treasurer in 1950 and in 1952 was promoted to Assistant Vice-President. Mr. Malek, who joined the International Manhattan Company (a subsidiary of **Bank of Manhattan, New York**) in 1929, was appointed an assistant cashier in 1942 and Assistant Vice-President in 1954. Mr. Sneed joined Chase National Bank in 1930, was appointed an assistant manager in 1949, and in 1956, the year after the Chase National-Bank of Manhattan merger, was appointed an Assistant Vice-President.

The promotion of Herdic W. King and Noah T. Tubbs to Assistant Vice-President also was announced. Raymond J. Limbach and Herbert E. Tucker were appointed Assistant Treasurers.

* * *

The first branch of any United States bank in Ecuador was opened today by **The First National City Bank of New York.**

Located in Guayaquil, the branch becomes First National City's 85th overseas banking office and 31st branch in South America.

Manager of the new branch will be James S. Thomas.

* * *

E. Vincent Curtayne, has rejoined **Manufacturers Trust Company, New York,** as a Vice-President, it was announced May 23 by Horace C. Flanigan, Chairman of the Board of Directors.

Mr. Curtayne was first employed by **Brooklyn Trust Company, Brooklyn, N. Y.,** in 1929 and was appointed an Assistant Secretary of that bank in 1934. He was elected a Vice-President of Brooklyn Trust in 1940, and became a trust officer of Manufacturers Trust after the merger with Brooklyn Trust in 1950.

* * *

Appointment of Frederick G. Duncan, as a member of the Advisory Board of **Manufacturers Trust Company, New York,** was announced by Horace C. Flanigan, Chairman of the Board.

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Michael C. Bouteneff has been named an Assistant Vice-President of **The Hanover Bank, New York.**

Formerly European representative at the bank's London office, Mr. Bouteneff is now at Hanover's main office, 70 Broadway.

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The Directors of **J. Henry Schroder Banking Corporation** and **Schroder Trust Company** announced the appointment of Peter C. A. Carpenter, R. Canon Clements and John I. Howell, formerly Vice-Presidents, to Senior Vice-Presidents of both banks.

All three officials have been with Schroder Banks for a number of years. Mr. Carpenter is in charge of Latin American business while Mr. Clements is in charge of the Domestic Banking Division and is Chairman of the Credit Committee. Mr. Howell is in charge of European business and is also Secretary of the two banks.

* * *

Three staff members of the **East River Savings Bank, New York,** were inducted into the bank's Quarter Century Club at its Annual Dinner, May 18.

The new members who became eligible during the year are: John Huggard, Mahlon C. Knorpp, and Edward H. Manley, bringing the total roster to 73 members. These include three trustees of East River Savings Bank: Percy C. Magnus, George O. Nodyne, President of East River; and Charles C. Joyce, Senior Vice-President and Secretary of the bank.

Newly elected officers of the club include: Elliott P. Raynor, President; Ernest W. Berglund, Vice-President; and Paul T. Ware, Secretary.

* * *

Wilfred Wottrich, Chairman of the Board, **The Lincoln Savings Bank, Brooklyn, N. Y.,** announced May 20 that Paul F. McGuirk, Vice-President and formerly Manager of the Bank's Marlboro office, will assume the management of the Brighton Beach office, following the retirement of Arthur C. Fox, Vice-President.

Francis A. Clements, formerly Deputy Auditor, has beeen appointed Assistant Vice-President and Assistant Manager of Brighton.

Edward J. Puttre, Assistant Vice President, who has been Assistant Manager at Brighton Beach, was transferred to the Marlboro office as Manager.

From the time the Brighton Beach office was opened in June, 1942 it has been managed by Arthur C. Fox, who will retire July 1.

* * *

Herman H. Maass, President of the **Security National Bank of Long Island, Amityville, N. Y.,** has announced the appointment of Sterling C. Van Rees to the bank's Board of Directors. Mr. Van Rees' appointment became effective May 12.

Mr. Van Rees, was a Director of the **Fort Neck Bank** in Nassau County from 1947 to 1958.

* * *

Stockholders of the **Valley Stream National Bank, Valley Stream, N. Y.,** and the **First National Bank of Greenport, N. Y.,** will vote on June 15 on a plan to merge the two institutions. The merged bank would be known as the **Valley National Bank of Long Island.**

If the merger should be approved by stockholders and the Controller of the Currency, holders of Greenport stock would receive 29 shares of Valley Stream stock for each of their own.

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Second Bank-State Street Trust Co., Boston, Mass., has changed its title to **State Street Bank and Trust Co.** Effective April 15, 1960.

* * *

Bank Item Eleven 11

Kingsbury S. Nickerson, President of **The First National Bank of Jersey City, N. J.,** announced that John G. Hewitt, Executive Vice-President of the bank, had been elected to the Board of Directors.

Mr. Hewitt was appointed Executive Vice-President in Dec. 1959 having previously been Vice-President of the bank since 1954. Mr. Hewitt joined First National in 1949.

* * *

The new offices of the **National Bank of Newark, N. J.,** Merchants Office, will open on June 13 in the Prudential Plaza Building, Broad and Academy Streets.

* * *

Ralph B. Gilpatrick, Jr., has been appointed Vice-President of **Mellon National Bank and Trust Co., Pittsburgh, Pa.,** Frank R. Denton, Vice-Chairman of the bank, announced.

Mr. Gilpatrick came to Mellon Bank in July of 1953. In April of the following year, he was named Assistant Cashier, and in 1958 he was appointed Assistant Vice-President.

* * *

The Porter Building Office of **Western Pennsylvania National Bank, Pittsburgh, Pa.,** opened for business May 23 at 601 Grant St.

* * *

Bruno V. Valente and Robert E. Kishler have been appointed Assistant Loan Officers at **Pullman Trust & Savings Bank, Chicago, Ill.,** according to President Donald O'Toole.

* * *

The First Trust and Savings Bank of Glenview, Illinois, is now a reality. On May 20, the first stockholders' meeting was held followed by a meeting of the newly elected Board of Directors.

The officers are Howard K. Hurwith, Chairman of the Board; Harold H. Stout, President; Charles D. Christensen, Vice-President; Edward Bernard, Vice-President; Dwight A. Wobith, Cashier; James M. Hurwith, Assistant to the President; Bruce Larkin, Assistant Cashier; Joseph McGrath, Assistant Cashier.

The Board of Directors comprises Hurwith, Stout, Christensen, John F. Minogue, N. W. Conrardy, Addis E. Hull, III, Michael Bright, Joseph Gerber, and John P. Hoffman.

The Glenview First Trust and Savings Bank will open in late June at 1301 Waukegan Road, Glenview.

* * *

Dr. Leslie C. Peacock, has been elected an Assistant Vice-President of the **Republic National Bank of Dallas, Texas,** it was announced May 21 by James W. Aston, President.

* * *

The First National Bank of Richland, Texas, with common stock of $30,000, has gone into voluntary liquidation by a resolution of its shareholders dated April 29, effective April 30.

Liquidating Agent is Mr. Arthur Patrick, Jr., care of the liquidating bank. The bank was absorbed by the **First National Bank in Richland, Texas.**

* * *

Promotion of Roland T. Duncan, Vice-President to Senior Vice-President was announced by the **Bank of America, National Trust and Savings Association, San Francisco.**

* * *

First National Bank of South Gate, South Gate, Los Angeles County, Calif., was issued a charter on May 11 by the office of Comptroller of the Currency. The President is H. Albert McEvoy and the Cashier is John L. Klay. The bank has a capital of $500,000 and a surplus of $250,000.

* * *

A. R. Zipf, Vice-President of systems and equipment research was elected administrative officer of operations of the **Bank of America, N. T. & S. A. San Francisco, Calif.**

* * *

Elliott McAllister, Chairman of the board of **The Bank of California, N. A., San Francisco, Calif.** has announced the following changes in the official staff:

Richard D. Hulse has been appointed manager of the Stevens Creek-Winchester Office, which will open in the San Jose Town & County Village shopping center on July 5th. Prior to joining The Bank of California, Mr. Hulse was with the **Valley Bank & Trust Company of Des Moines, Iowa,** for several years, where he was Assistant Vice-President.

James K. Hill was advanced to Assistant Cashier and will serve with Mr. Hulse at the above office.

Kenneth A. Linhares was elected Assistant Cashier of San Jose office (2nd & San Carlos) and will assume Mr. Hulse's former duties.

At the Sacramento office, William W. Sullivan, who became Assistant Cashier, will serve as Loan & Operations Officer.

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George Killion was elected to the board of directors of the **Pacific National Bank of San Francisco, Calif.,** replacing Edward O. Boyer, who resigned.

* * *

Promotion to Senior Vice-President for Roland T. Duncan and his appointment to a new post at the upper management level in **Bank of America, San Francisco, Calif.** was announced May 17 by President S. Clark Beise.

A veteran in his profession, Senior Vice-President Duncan joined Bank of America in 1924. Prior to his current promotion he was Vice-President in charge of Bank operations.

* * *

G. Harry Sheppard was appointed a Director of the **Bank of Montreal, Montreal, Canada,** May 17 at the first weekly board meeting of the bank to be held in Toronto.

* * *

Hollandsche Bank-Unie, Amsterdam, Holland, announced that on May 23 a new office will be opened at Guayaquil, Ecuador.

The Manager will be Mr. J. R. Colder.

Chicago Bank Women Elect Officers

CHICAGO, Ill. — Jessamine Durante, head of the women's division at Harris Trust and Savings Bank, Chicago, has been elected President of the Association of Chicago Bank Women for the 1960-61 year. Other newly elected officers are Lucy S. Buck, Assistant Vice-President, National Bank of Hyde Park as Vice-President; Kathaleen Walters, Assistant Cashier and Director of Public relations, Mount Prospect State Bank as Treasurer; and Dorothy R. Blue, La Salle National Bank as Secretary. The Association's annual dinner meeting was held at the Chicago Yacht Club.

A Stock Market Appraisal

Continued from page 3

quarter results because profits did not show the expected response to the high level of business. Profit margins are seen to be splipping. It is apparent that competition, at home and abroad, is testing the ability of management to control costs.

(5) **Dividend Outlook Favorable.** A number of companies will be able to increase the portion of earnings which they pay out in dividends. A new high record this year in total payments is possible. However, it should be kept in mind that dividends are a lagging series. They come at the end of the whole operation. (Back in 1930 dividends equalled those paid in 1929; yet stock prices were cut in half of 1929.)

(6) **Capital Goods Expenditures.** Recent estimates call for a 14% rise in these expenditures over 1959, to a level slightly above the previous all-time record high set in 1957. If carried out, such spending would provide strong support to the economy and to investor confidence.

(7) **Population Uptrend.** Over the long-term, our growth in population provides new markets and expansion of old ones. However, to use such growth as perenially bullish on business and stock prices would be ridiculous. We have had business recessions and bear markets repeatedly, alongside expansion of population.

(8) **1960 An Election Year.** Historically, presidential campaigns have usually been periods of optimism in business and in the stock market. On average, the election years since 1900 showed a decline in stock prices to about mid-year, nominating convention time, and then a rise to late in the year. (After the election, stock prices showed a gain at the year-end in 7 out of the past 8 Republican victories, but did so in only one of the 7 Democratic years.)

Liabilities—Unfavorable Factors

(1) **Historical High in Stock Prices.** We have come through the longest bull market on record. Even if last August's top in the general market turns out to have been the final top in the general market, that statement will be true. The bull market beginning in mid-1949 will have lasted over 10 years.

The 1959 high was an all-time high record, some 2½ times the bull market peak reached 30 years earlier in 1929. Both the age of the bull market and its dizzy height are unfavorable factors. But I would not place much emphasis upon the absolute levels of prices reached at the top, but would rather point to a much more unfavorable aspect.

(2) **Prices High in Relation to Earnings.** At last year's top, industrial stocks as a group were selling at about 19 times share earnings, the same ratio as at the 1929 top. As I said at the beginning, in the last bull market prices rose eight times as much as earnings did. Prices rose 350% while earnings rose only 43%. Without a boost in investor-confidence (measured by the price-earnings ratio) industrial stocks would have risen only 43%. Hence, out of the 350% actual rise in prices—307 percentage points were due to the increase in the price-earnings multiple. Investors were hoping for higher earnings in the future.

First quarter of 1960 brought a jolt to confidence, with industrial stock prices suffering the sharpest drop for that quarter in over 20 years.

(3) **Interest Rates.** I believe that high interest rates have been one of the most important influences in the securities markets for many months. Tight money was partly the result of the business boom and partly the result of the official program of checking inflation.

Probably it is because of the fact that tight money usually curbs speculation first and affects business activity later that the stock market has acquired its undeserved reputation as a forecaster of business slumps. What really happens is that the stock market is an early victim of tight money. The higher stock prices rise, the lower the dividend return to the investor. With high interest rates, the lure of luscious yields offered by **bonds** gradually results in a swelling flow out of common stocks and into bonds. Then the stock market's downswing hurts the psychology of businessmen and consumers, and **causes**, rather than forecasts, a forthcoming downturn in business.

(4) **Debt Situation.** During the booming 1950's the personal debt load of Americans climbed twice as fast as their disposable incomes. Every year in the decade saw salary and paycheck totals rise. But every year through 1958 saw debts rise more. In 1959 the debt and income rises were about equal.

Personal debts fall into two main categories. One is labelled **"consumer credit,"** which covers debts owed on automobiles, appliances and home repairs, as well as other personal bank loans and charge account credit. The other is debt owed on **home mortgages.**

At the end of 1950 Americans owed about $21 billion in "consumer credit." Now they owe around $51 billion. Mortgage debt at end of 1950 was $45 billion; now it is $125 billion. Total of the two types is now over $176 billion, up 167% since 1950.

Disposable personal income (that is, after taxes) is now at an annual rate of $345 billion, up 62% since 1950.

Today's debt-to-income ratio is the highest on record, about 51% —versus 32% in 1950.

In 1929, at what turned out to be the end of another big boom, the debt-to-income ratio stood at only 30%. Just before World War II in 1939, it was only 33%.

Thus we see that **the big boom of the 1950's was supported by a rapid rise in debt in relation to income.** However, many economists point out that the current high ratio is not so dangerous as might appear at first glance. Their reasoning is as follows:

The switch of millions of families from paying rent to paying on mortgages, actually may mean no dangerous **new** burden. Also, money that was formerly paid to the laundryman has merely been switched to the instalment on the washing machine. Similarly, yester-year's ice money goes to pay on the electric refrigerator. Cash that once went for bus, trolley and train now helps to meet the monthly payments on the family car.

Further, the economists point out that the social security program and private pension funds make it less hazardous to go into debt now than formerly. People can worry less about saving for a rainy day.

There may be some truth in these mitigating circumstances. The fact remains, however, that credit costs money and the cost has been rising. There is no way to measure precisely the total cost of credit to 50 million families. But using 5% on mortgages and 10% on consumer credit would give a conservative estimate of around $11 billion annually. That is more than the public pays, through the Tax Collector, on the mammoth debt of the Federal Government. Interest on the Federal debt is now about $9½ billion.

This thing can't go on forever. At some point required payments on debts exceed available income for many people and the bubble bursts.

(5) **Technical Position of Stock Market.** On the technical side there is strong evidence that the bull market is over and that the major trend of the averages has been in process of swinging to the downside.

One of the main indications has been the action of various stock groups topping out one year ago, two or three years ago in some cases, and declining substantially. Groups of stocks which topped out as recently as last year and which have moved sharply lower, are: Air Lines (off 40%), Industrial Machinery (off 24%), Steel (off 22%), Tire & Rubber (off about 27%). Crude Oil Producers, which saw their bull market tops in 1957, were recently off about 46%. Three groups, which topped out as long ago as 1956, suffered these percentage losses at recent lows: Aircraft (44%), Aluminum (over 30%) and Copper (43%).

Second, the major uptrend lines have been broken by the market as a whole, as well as by Industrials and Rails.

Third, the performance of Railroad stocks has been highly indicative of a major reversal of trend in the general market. First the Rails refused to confirm the new high reached in August by the Industrials; then Rails dropped considerably more than the Industrials. Similar divergence between these two groups served to pin-point important downward reversals in 1956, 1953, 1946, 1937 and 1930. And the Dow Theory recently gave a major downswing confirmation by the Rails.

As to the Dow Theory, many observers refuse to accept its major bear market signal of March 3, because, as they say, the Rails are not so important now as they were in by-gone years. Well, that may be so; time will tell. However, the Dow Theory worked well as recently as 1946-49, and 1939-42. In the former case, the Industrials dropped 15% after the signal (versus 10% before the signal); in 1939-42, the drop after the signal was 36% versus 7% before.

Taking all the Major bear signals of this century under the Dow Theory, the average drop was 29% **after** (in 13 mos.) versus 14% **before** (in 5½ mos.).

My own view is that the public doesn't like to accept anything that is bearish. Probably, if this latest signal had been bullish, the Dow Theory would be hailed and accepted as wonderful, indeed.

Fourth, we have additional technical evidence within the stock market which in times past has been a reliable signal of the ending of a big bull market. I refer to the action of low-priced stocks last year.

History shows that big bull markets somehow just can't make their final peak before speculative enthusiasm spills over into low-grade, low-priced stocks in a sensational way. Such a spill-over of speculative fever occurred more than a year ago. Standard & Poor's index of low-priced stocks zoomed 145% from late 1957 until April last year, and has since been on the down-grade. Similar warning signals were given by these low-priced stocks at or before the final peaks in the general market in 1946, 1937 and 1928.

Finally, it should be noted that the currently unfavorable technical picture should be given a heavy weighting when the balance sheet is totaled to see which way the market wind is likely to blow, **down or up.** Often at major turning points optimism runs so high that technical analysis must be heavily relied upon because many favorable factors are slow in swinging over to the liabilities side. In other words, the stock market itself is one of the **earliest** factors to reverse after a big boom.

(6) **New Investors in Market.** Many present stockholders have had no experience in a broad downswing of the general market. They may have to learn the hard way, by bitter experience, that the market is not a one-way street upward as it has been for so many years since 1949.

(7) **Residential Building Down.** With less money flowing into the mortgage market, credit requirements have become more stringent. With higher interest rates and increased amortization charges, new houses have become too expensive for many potential buyers. On the favorable side, however, it will be recalled that housing starts were in a declining trend almost throughout the 1954-1957 general business rise. Hence, it is not impossible to have good business despite a slackening in the housing boom.

(8) **Block Distributions of Stocks.** Another factor which indicates that a conservative approach to investing is advisable now is the large volume of block distributions of common stocks. Last year such sales exceeded $766 million, a new high record. That compares with the previous record of $500 million in 1956.

Such distributions are basically constructive in that they broaden the ownership of American industry. Yet at the same time that suggests a movement of stocks from strong holders to relatively weaker hands. At least to some extent the implication is that the sellers may be re-investing in liberal-yielding bonds. Continuation of that process would restrain enthusiasm in common stocks.

Interlude

If we stopped right here and totaled the net results of our balance sheet of the stock market, we would find, I believe, that the **unfavorable** evidence outweighs the **favorable,** although we have covered eight of each factor.

There are, however, several important areas in which there is considerable uncertainty — it is possible for these forces to swing to either side of the balance sheet from their present straddling or wavering position in the middle. The main uncertain areas are: (1) The domestic political situation; (2) the international situation; (3) labor-management disputes, and (4) inflation-deflation. These four items themselves are inter-related. A definite trend in any of these, toward either side of the balance sheet, could appear almost anytime.

Uncertain Factors

(1) **Domestic Political Situation.** Awaiting the outcome of the nearby nominations and the election in November, I see no change of importance in this area of uncertainty.

(2) **International Situation.** This is a major area that is steeped in uncertainty, and subject to abrupt change almost from minute to minute. Last week's collapse of the Summit Conference is a good example. It involves such far-reaching items as the arms race and defense expenditures, rocket and missile programs, budget balance or imbalance, and finally peace or war.

The recent boom in the space-age stocks is one result of international competition in rocketry, satellites, missiles and space exploration. Likewise the big downswing in most aircraft stocks over the last three or four years stems from the same source.

(3) **Labor-Management Disputes.** Typified by last year's Steel strike, many labor-management disputes have come to a head. After years of leap-frog by wages and prices, managements have run into foreign competition for markets and consumer resistance to continued boosts in prices. Apparently, the power of organized labor is on the wane both economically and politically. If that interpretation is correct, it will have a definite bearing on the next factor in this discussion.

(4) **Inflation-Deflation.** This is indeed the $64 billion question. If you can solve this one correctly I am sure you will have some very valuable information on the stock and bond markets and on values of all kinds.

The big question has to do with the **future value of money,** the common denominator of all property.

Will the cost-of-living, now the highest on record, continue to rise? Or is it close to a top and a levelling off? This is the most widely used measure of the dollars buying-power, changes in inflation-deflation.

What has the stock market already done about inflation?

Well, since the War the stock market has out-distanced inflation by over 5-to-1. (Stocks up 333%; cost-of-living up 62%.)

In the past five years, industrial stock prices have more than doubled; yet the cost-of-living has risen only about 9% or 10%.

Ratio of gain, stocks vs. cost-of-living, 10-to-1.

Apparently the market has already discounted inflationary trends far into the future; however, there are some grounds for concluding that the inflation bubble may be nearing an end.

(a) Goods are in supply and there is excess plant capacity.

(b) Foreign competition is beginning to hurt American business.

(c) The Federal Reserve Board is dedicated to a program of a "sound" dollar.

(d) Industry is developing resistance to excessive wage increases, which were the prime mover in the inflation.

"In all likelihood, world inflation is over." Those are not my words but are the declaration of Per Jacobsson, Managing Director of the International Monetary Fund. This is the result of a great change in virtually every international market — the shift from chronic shortage to comfortable working surplus. After a decade of economic living in isolation, the United States must now learn how to live in the hurly-burly of a competitive world. Old man international economics has caught up with us at last.

Conclusions

At present the **stock** market is perhaps the most inflated segment of the economy; the **bond** market about the least inflated. That reverses the situation a dozen years ago.

Under the circumstances a conservative approach to investment seems advisable. Both economic and technical factors provide a non-bullish background to put it mildly.

It is to be hoped that the stock market can continue its "rolling" movement, with readjustment in various groups spread out over a period of time, thus avoiding an old-fashioned bear market. Supporting such hopes are our so-called "built-in" economic stabilizers such as social security and income tax influences.

Whether or not we have conquered the business cycle is still debatable; but, even our Republic Administration has affirmed a policy of accepting deficits in national accounts as proper during a business decline. At any rate, attempts will be made to use fiscal policies in order to try to check the cumulative effects of any downswing in the economy. Finally, the Federal Reserve will be under strong pressure to use stimulative measures to counter any threatening interruption to normal growth of the economy.

Now, in closing, a few words about the opportunities provided investors during downward readjustments in the stock market. First of all, the best opportunities for capital gains are always provided by bear markets. As an illustration, present stockholders who have the largest profits are those who bought somewhere near the bottom eight or ten years ago.

Also, remember that by far the greatest source of investors' buying-power lies in their present security holdings, rather than in their available cash. **Those who supervise investment accounts should go over all portfolios to single out switches which seem likely to benefit the investor** by (1) avoiding shrinkage in present paper profits or actual losses, and (2) placing funds in either defensive type issues or carefully selected situations which carry the promise of superior market performance.

For purposes of relative defense against shrinkage, yet retaining the advantages of capital gain when trends are again favorable, **convertible bonds are especially attractive at this time.** They offer a unique investment medium with good current yield, the safety of a bond, plus participation in the ultimate potentiality of the common.

Among common stock groups, the most suitable defensive types are: Banks, Utilities, Telephone, Retail Trade, Foods and Tobaccos.

Finally, as time goes on, I believe better values will become available in the stock market. They are worth waiting for.

*An address by Mr. Comer before the 69th Anniversary Convention, California Bankers Association, Los Angeles, May 23, 1960.

New Luxury Hotel in Brasilia Opens in Jan.

A modern new 400-room luxury hotel, the Nacional-Brasilia, is presently under construction in Brasilia, new capital of Brazil, and is scheduled to open Jan. 1, 1961, Mr. Jose Tjurs, Brazilian hotel owner and President of Hoteis Reunidos S. A. "Horsa," announced May 25.

It will cost approximately seven million dollars when completed, Mr. Tjurs said, and will be the first hotel in the new capital city to have been constructed through financing by private capital. It is the property of Hoteis Reunidos S. A. "Horsa," which already owns a network of six hotels in Brazil including the Excelsior Copacabana in Rio de Janeiro and the Jaragua in Sao Paulo.

It will also be Brasilia's largest hotel and, in reality, will be almost a city in itself. It will reach 12 stories high and will be completely air-conditioned. One hundred shops will connect with the main lobby and stretch out into the surrounding hotel property.

Facilities for convention groups have been planned, and a separated convention auditorium with a stage is being constructed on the property to seat 800 persons. The hotel's grand ballroom will have banquet facilities to accommodate 1,000 persons, as well as a dozen private dining and meeting rooms.

A heliport and parking area for 500 cars also will be located on the hotel's premises.

The architect of the Nacional-Basilia is young Nauro Esteves, one of the principal associates of the world-famous architect, Oscar Niemeyer, designer of Brasilia's public building, as well as one of the architects who designed the United Nations buildings in New York City.

The Nacional-Basilia project essentially was inspired by the President of the Republic, Juscelino Kubitschek, a man dedicated, among other things, to turning his dream of Basilia into a reality. Like the caiptal city, which was officially christened on April 21, 1960, the hotel will become a reality through the efforts of far-sighted and hard-working Jose Tjurs, who shares his President's imagination and enthusiasm. He is leaving "no stone unturned," so to speak, in putting the hotel into ship-shape order for its gala opening on Jan. 1, 1961, which will be persided over by President Kubitschek himself.

Mr. Tjurs is presently in New York before sailing for Europe to select a staff for the hotel. While here he has appointed Robert F. Warner, Inc., international hotel sales consultants, to represent the Nacional-Brasilia in North America.

Eldes Securities

Eldes Securities Corp. has been formed with offices at 50 Broadway, New York City to engage in a securities business. Officers are Franz R. Lushas, President; Gerhard M. Steinhauff, Vice-President and Secretary; and Peter E. Dittmar, Vice-President and Treasurer. Mr. Lushas was formerly an officer of Hans Utsch & Co., Inc., with which the others were also associated.

With Hill, Darlington

SEATTLE, Wash.—Omar J. Humphrey is now associated as a registered representative with Hill, Darlington & Co., 1118 Fourth Avenue.

Cleve. Bond Club Elects Officers

CLEVELAND, Ohio—At the annual meeting of the Bond Club of Cleveland on May 6, 1960, Clemens Gunn of Gunn, Carey & Roulston was elected President. He succeeds Jack O. Doerge of Saunders, Stiver & Co. Bruce B. Ranney of Ball, Burge & Kraus was elected Vice-President, Theodore A. Gaskell of Hayden, Miller & Co., Secretary, and Gordon Heffern of National City Bank, Treasurer.

Clemens E. Gunn

Mr. Gaskell, Mr. Heffern and Franklin B. Floyd of Curtiss, House & Co., were elected to three-year terms on the Board of Governors.

Audion-Emenee Com. Stk. Off'd

Pistell, Schroeder & Co., Inc. and Bertner Bros. and associates on May 20 publicly offered 100,000 shares of Audion-Emenee Corp. common stock (par $1) at $5 per share. The issue sold almost immediately at a premium.

The net proceeds to be received by the company from the sale of the common stock offered, which are approximately $418,000, will be added to the working capital of the company.

The company is engaged in the manufacture and distribution of electric organs and musical toy instruments. The company or its predecessors have been engaged in the manufacture of musical toy instruments since 1950, including among other things, trumpets, ukuleles, saxophones, clarinets, guitars, glockenspiels, accordions, drums, harmonicas and twirling batons. Emenee commenced the production in 1958 of toy electric organs and in 1959 of children's electric organs. The products of the company marketed by Emenee, including toy musical instruments and children's electric organs, are sold to the public at retail prices ranging from $1 to $95. In 1959 production was begun by the company of electric chord organs which are distributed to the adult market by Audion at retail prices ranging from $100 to $300.

The company now produces (1) toy electric organs (2) children's organs, and (3) Audion organs, which differ from one another as to the number of keys and chords, the range and variety of the tones produced, the quality of their cabinetry, and the retail prices at which they are sold. All of the aforesaid organs produce their musical sounds by means of an electric blower which activates a series of reeds.

Named Director

Thomas H. Choate, a General Partner in the New York investment banking firm of White, Weld, & Co., has been elected a Director of the Board of The Coca-Cola Export Corporation.

Burton & Lence Formed In Salt Lake City

SALT LAKE CITY, Utah—Burton & Lence Incorporated has been formed with offices in the Greyhound Terminal Building to engage in a securities business. Officers are Edward L. Burton, Jr., President; Robert G. Lence, Vice-President; C. B. Lence Secretary; and Edward L. Burton III, Treasurer.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

In spite of the failure of the Summit Conference to accomplish anything at all, and the resultant tense international situation, the market action of Government securities as a whole has been satisfactory. It is evident that the Treasury will have to raise a sizeable amount of new money in July and this is still having a dampening effect, not only on Governments, but also on all fixed income bearing issues. This is so, despite the opinion that the $3 billion or $4 billion of new funds will be obtained through the issuance of securities with a maturity of under five years.

Intensification of the cold war, as is expected in nearly all quarters of the money market, will most likely bring with it increased expenditures for defense, but it is not believed this will throw the budget too far out of balance. In addition, a slightly easier money market could make the flotation of new Treasury issues not too much of a problem.

Margin Cut Talk

"Open mouth" operations of the monetary authorities appear to be in gear again, because last week there were not only published reports that the Federal Reserve Board was very anxious to reduce margin requirements, but also there were strong rumors that a sharp cut in the amount of cash which is required to carry stocks would be forthcoming in the very near future. The equity market has been on a 90% margin basis for quite some time and this has been in keeping with the policy of "active restraint" which has been in effect in the money market.

The policy which the powers that be are now following as far as the money market is concerned seems to be one of "neutrality" which would indicate that "active restraint" has been put on the shelf for a while at least. However, it appears to be evident from the recent actions of the monetary authorities that changes in policy will not be too fast and the future course of business will be very important in shaping this program.

Accordingly, the "neutrality" policy which has brought with it a decrease in the negative reserves of the member banks of the system and, in this way, some of the pressure has been lifted from the money market. As an adjunct to this decline in negative reserves a decrease in margin requirements would not appear to be out of order.

Increase in Money Supply Strong Possibility

The loan demand for business purposes seems to be a bit below expectations and it may be that the powers that be feel that some fillup in borrowings would be a favorable factor at this time. It appears to be pretty much of a matter of touch and go when it comes to predicting future economic conditions and therefore an increase in the money supply would not seem to be too unexpected under existing conditions. There is no doubt but what the monetary authorities have done a fine job in keeping the inflation fears under control through the method of retarding the growth in deposits.

However, with uncertainty creeping into the business pattern, it may be that the Federal Reserve Board would not be averse to having a modest increase come about in the money supply through the creation of new deposits. This could take place by way of a decrease in margin requirements since the lowering of the amount of cash that would be needed in order to buy common stocks would most likely bring about borrowings to make purchases of equities. It is well known that loans create deposits whether they be made for business purposes or for the purchase of stocks.

Margin Reduction Would Help Treasury Market

A decrease in margin requirements would most likely be taken to mean that money conditions would be tending in the direction of a modest amount (more) of ease, even though these funds would flow mainly into the equity market. It is evident that efforts to bolster prices of common stocks are not likely to be undertaken when business is going at full blast and boom conditions are prevailing.

Therefore, it appears as though a cut in margin requirements should not be looked upon as bearish on Government issues because ease in the money market, no matter how moderate it may be, will in the long run be favorable to Treasury obligations. In spite of the sharp and wide gyrations which have taken place in Government securities because of the uncertain and changing domestic and international conditions, there has been very little in the way of real liquidation in these obligations.

B. C. Morton Branches

BOSTON, Mass. — The opening of new B. C. Morton offices in Forest Hills, Queens, and Hackensack, N. J., was announced by Bernard Carver, president.

The Forest Hills office, at 117-18 Queens Blvd., and the Hackensack unit, at 381 Main Street, are the second and third launched by The B. C. Morton Organization in the New York metropolitan area in 1960. A 10 East 40th Street office had been opened in Manhattan earlier in the year.

Some Pressing Problems For Monetary Policy

Continued from page 7

and by just 1% in 1959 when restraint was called for, than that each year's increment be fixed at a constant figure.

A policy of invariant addition to the money supply, year after year, would also mean ignoring significant changes in habits of spending and holding liquid assets throughout the economy. These changes in liquidity and velocity can sometimes be just as important as movements in the money supply itself, in determining the course of financial markets. The expansion of other savings institutions apart from the commercial banks, the growth of the Federal Funds market, and the increasing tendency of corporate treasurers to invest temporarily idle funds in money market instruments may all be cited as striking examples of how the supply of bank reserves and deposits can be economized in a dynamic economy, bringing about significant increases in the velocity of circulation of the money supply. Recently there has been considerable evidence, in the form of higher velocity, that the economy has come a long way toward "growing up" to the larger money supply created during the recession of 1957-1958 — and indeed, from a longer perspective, to the excessive money supply created during World War II.

Notes Increased Velocity Reduces Liquidity

The question of just how high the velocity of money can go is an intriguing one theoretically, but of more immediate practical concern is the process by which velocity increases are brought about, and the effects of this process on financial markets. For while the efficacy of monetary policy has sometimes been challenged on the ground that increases in velocity can nullify efforts to achieve credit restraint, many of these critics fail to take into account that a rise in velocity may entail a simultaneous shift or reduction in liquidity which can have quite potent restraining effects. In the Federal Reserve we try, of course, to appraise just what those effects are, in the changing circumstances of each new situation.

Nowhere in the financial system is this impact of changing liquidity demonstrated more dramatically than in the case of the commercial banks themselves. At a time of strong business expansion, when reserve positions are under pressure and the release of new reserves by the monetary authorities is limited, the banks either meet loan demands by disposing of relatively liquid investments, or, reluctantly, they turn down some part of their customers' requests for additional credit, and often they do both. In the process, their liquidity positions come under increasing strain. Thus, in the recent cyclical experience we have seen the ratio of loans to deposits for all member banks rise from about 50% in the summer of 1958 to about 58% in recent months; in the money market banks in New York from 57% to 69%.

In making this sizable shift in the distribution of their earning assets, the banks have inevitably found themselves holding back some of the expansion of loans that might otherwise have fed an inflationary burst of spending—thereby helping materially to bring effective monetary restraint into play during the expansion phase of the past two years. Theirs has been a hard role, but an essential one, and generally well performed. In one sense, it is true, they have had little choice, because of the Federal Reserve's control over total reserve availability, but their strong and understanding support has made the task of the monetary authorities much easier.

At some point, banks and their customers quite naturally feel a bit uneasy with their high loan-deposit ratios, raising a question as to whether the banks can contribute their share toward needed further growth of the economy. This is especially so where heavy loan holdings are coupled with bond portfolios that are frozen in by the declines in capital values. The Federal Reserve is not at all unmindful of this concern, even though we do in fact rely upon the "loaned-up feeling" to help limit further bank credit expansion at times over the business cycle. I think it is just inherent in the nature of commercial banking that its overall growth, so far as demand deposits are concerned, must be irregular. That is because the actual process of creating new money has, in itself, a stimulating influence—an influence that should be maximized by using more of it in periods when other forms of credit expansion are lagging, and when the economy may be in recession. Instead of merely creating money to service the transactions mechanics of a growing economy, the monetary system must utilize the full potential of the money-creating process to help bring about the conditions of economic stability upon which lasting growth depends.

Deplores Long-Term Bank Loan Rise

Another aspect of the liquidity question to which we have been giving attention is the relatively sharp growth of term loans in recent years. For the large New York City banks, for example, this growth has reached the point where term loans account for more than half of the outstanding volume of all business loans. In itself, this is not necessarily questionable, and in fact the development of the term loan in the past quarter century has undoubtedly filled a very real need in the field of corporate finance; but I do believe we should avoid a situation in which banks become so heavily committed in the form of longer term advances that they cannot adequately meet the legitimate short-term needs for which commercial banking characteristically provides rather unique facilities.

Of particular concern to me is the tendency, during a period of restraint, for large corporations to defer public capital offerings and to finance their expansion programs instead through longer-term bank loans. When the banks take on large amounts of such longer-term loans, they may find that they have less opportunity to meet the short-term needs of smaller borrowers who have fewer open alternatives for raising funds. Another related factor that deserves more attention in the composition of bank loan portfolios is the eligibility of loans for rediscounting with the Federal Reserve. Now that some banks are close to the point at which borrowing from the Reserve Bank might have to take the form of advances on commercial paper, this question of eligibility has become one of practical significance.

In short, I am suggesting that there must be some happy mean between the outmoded and purist concept of confining bank lending to "self-liquidating," "commercial" loans, and the development of an unduly frozen position in longer-term advances. Perhaps, in locating and maintaining that happy mean, some thought should be given to the possibility of setting different rates of interest on loans of similar quality, on the basis of differences in maturity or eligibility. For example, a higher rate on term loans might help to channel such borrowing into the long-term capital market. The variations in rate would not have to be large, and at times they might narrow down to the vanishing point, but just the possibility of such variations might add a useful dimension of flexibility to the setting of credit terms.

Explores Interest Rates on Deposits

Another area where I believe we ought to be thinking through the possible advantages to be gained from greater flexibility is in the Federal Reserve's regulation of maximum interest rates on deposits. Certainly, we are well aware that these regulations have sometimes placed the commercial banker at a disadvantage in the competition for deposits. The original purpose of such regulation was to protect the soundness of bank assets from destructive competition, and I believe there is still a good deal to be said for this position, particularly as it relates to the prohibition of interest payments on demand deposits. Still it would be surprising if some of the underlying conditions had not changed in the nearly three decades since these regulations were established. One obviously relevant development is the enormous growth of other institutions competing for savings — institutions which are regulated as to rate much less stringently or not at all. And there are the greatly expanded markets for Treasury bills and commercial paper of various sorts, which tend to be close substitutes for time deposits as a means of holding funds for various domestic and foreign accounts.

Now as a general rule, I am in favor of imposing as little regulation as possible on our economy, consistent with such broad aims as the promotion of a healthy expanding economy served by sound financial institutions—and I am sure that most of us could agree on this general philosophy. In line with this, I would prefer that individual interest rates be set by free competitive forces in the financial markets, whether these be rates on new issues of Treasury bonds or rates on bank deposits. But I also recognize that, given the great multiplicity of banks and other financial institutions which would be potentially competing with one another for funds, possibly reaching out for riskier assets in order to provide the income to meet higher payments to depositors or shareholders, there is good reason for proceeding cautiously here.

Perhaps a useful first step in this area, which might be given wider general consideration, would be to draw a clearer line between savings deposits and those other time deposits of commercial banks which are basically different in function. Such distinctions have been made by many banks, to be sure, under various circumstances, but without any widespread understanding among depositors of the differences in the nature of the deposits involved. It is the closer study of such possible differences in basic characteristics, and of their implications for bank portfolios and for the interest payable on these deposits, that I am suggesting here.

In pursuing my theme of the need for continuous review of the methods and the principles of monetary policy, I would like to touch on one area of concern that I found mentioned rather widely during a recent visit to Europe. There was a feeling of some bewilderment over the wide swings, both upward and downward, that have occurred in our market rates of interest over recent months. While our friends abroad can, I gather, understand in terms of supply and demand factors some easing off from the high interest rates of late 1959, they have difficulty in grasping the significance of the gyrations we have been having, particularly in the short-term market.

Of course, I do not claim to have a full explanation, but surely one important aspect is that "nonbanks" ordinarily play a much larger role than the banks in the securities markets of this country, and that in the shorter term part of the market nonfinancial corporations have been a major, and at times dominant, factor. Thus short-run shifts in corporate cash positions that might in other countries be largely absorbed within the banking system itself are, in this country, thrown more directly upon the open market. More broadly, there has been a great increase in this country over recent years in the number and variety of professional investors, each intent on anticipating before anyone else the effects of any substantial change that may be coming into the market—whether this be an expected reversal in economic conditions, or in the absorption or release of funds by the Federal Government, or even a presumed change in Federal Reserve policy.

Now there is undoubtedly room for closer study of the timing and techniques of fiscal operations, debt management and monetary policy, with a view to minimizing some of the recent causes of extreme fluctuations without impairing the responsiveness that is essential for full reflection of basic supply and demand conditions in the money and capital markets. But pending such an evolution, it is important to understand that interest rate changes, in the free market conditions of this country, are the resultant of a much wider range of influences, reflecting a much greater variety of participation, than exists in the money and capital markets of any other leading country. By the same token it is not possible, therefore, to read the same significance into market rate fluctuations here that might attach to similar fluctuations in markets abroad.

International Consideration

Finally, just a word as to the implications for U. S. monetary policy of the relatively new situation in which we find other powerful industrial countries able to compete with us on even terms in international trade, with international capital flowing more freely than in several decades in response to relative levels of interest rates. I have no doubt whatever of our ability to cope with this new set of facts successfully. So far as any short flows are concerned, as the result of swings back and forth in interest rate differentials between New York and foreign financial centers, our reserves are certainly more than ample to absorb them. Doubtless the monetary authorities must give closer attention than in past years to balance-of-payments problems, with careful analysis of international flows of funds to detect any pointed implications that they may carry for the domestic economy—and these implications then become part of the overall appraisal which determines general monetary policy. Although requirements of domestic stability must come first, in the working out of actual policy decisions, capable management of our domestic affairs carries the key to the attainment of that reasonable equilibrium in international payments which will preclude any long-persisting drain on our reserves. It is on such considerations that confidence in the dollar as the world's key currency has been and must be based.

My remarks have ranged quite widely over a number of rather distinct topics, including long-term growth in the money supply, the significance of changes in liquidity ratios, the desirability of greater flexibility of interest rates on bank loans and deposits, the recent behavior of market interest rates in this country, and the general problem of adapting American monetary policy to a more competitive world. Running through our consideration of all these questions, however, is the central theme that monetary policy can never be reduced to a static, inflexible set of rules in a dynamic economy. But that kind of economy, intended to provide the maximum degree of freedom of choice for the consumer and the producer, for the borrower and the lender, is one that all of us, bankers and nonbankers alike, should find most stimulating and rewarding.

*An address by Mr. Hayes before the 57th Annual Convention of New Jersey Bankers Association, Atlantic City, N. J., May 19, 1960.

Electronic Ass't Corp. Common Stock Offered

Amos Treat & Co., Inc. and Bruno-Lenchner, Inc. and associates offered on May 24, 122,500 shares of Electronic Assistance Corp. common stock at a price of $12.50 per share.

Of the total number of shares offered, 72,500 shares are being sold for the account of the company and 50,000 shares for the account of Robert Edwards, President of the company.

Net proceeds from the sale of its 72,500 shares will be used by the company for equipment in its engineering department and office; for research and development, and for other corporate purposes. The balance of the proceeds will be added to working capital.

The corporation is engaged in the design, engineering, manufacture and sale of radar altimeters, telephone equipment, test equipment and ultrasonic generators and transducers. It has also manufactured airborne phase changing net works and airport traffic control equipment. On Aug. 8, 1958, the company acquired a majority of the physical assets of the Mack Electronics Division of Mack Trucks, Inc., of Plainfield, N. J. The company's headquarters and main plant is located in Red Bank, N. J.

For the year ended Jan. 31, 1960, the company had net sales of $911,466 and net income of $67,116, equal, after preferred dividends, to 12.7 cents per common share. In an unaudited statement of operations for the two months ended March 31, 1960, the company showed net sales of $737,593 and net income of $56,304, equal to 10.9 cents per common share.

Upon completion of the current financing, outstanding capitalization of the company will consist of 583,764 shares of common stock and 300 shares of 5% cumulative preferred stock.

To Be Gordon Partner

On June 1 Benjamin L. Goldstein will become a partner in Gordon Bros. & Co., 80 Pine St., New York City, members of the New York Stock Exchange.

J. J. Brusati Opens

(Special to THE FINANCIAL CHRONICLE)

NORTH HOLLYWOOD, Calif.—John J. Brusati is engaging in a securities business from offices at 11352 Burbank Boulevard. He was formerly with Glore, Evans & Co.

Sole Proprietor

GREENVILLE, S. C. — Henry T. Mills, Jr., is now sole proprietor of the investment business of H. T. Mills, 22 West Washington St.

MUTUAL FUNDS

BY ROBERT E. RICH

A Universal Language

When what Soviet Premier Khrushchev liked to call "the Spirit of Camp David" is restored, we hope that some enterprising Wall Street wire house will ask permission of the Russians to establish in Moscow a branch office. After all, the Soviets are striving mightily even now to lure American tourists, and the Yanks and Europeans sojourning in the Workers' Paradise are folks of considerable means—among which you are likely to find stock and bond holdings.

Imagine the valenki-shod Muscovite with a fresh bowl of cabbage soup tucked under his tunic asking the multilingual customer's man to explain what's going on!

Meanwhile, we shall have to content ourselves with watching the spread of the shareholding community to the Free World. The growth already is considerable. Thus, in Japan, mutual funds account for a larger share of the trading than is the case in the United States. The Japanese, of course, are an industrious and thrifty folk. But it remained for the unprecedented prosperity of the postwar years and the mutual-fund idea, which their investment leaders have imitated, to recruit small investors.

In Europe, birthplace of the investment-company idea, closed-end and open-end funds are becoming increasingly popular. Prosperous Switzerland has taken to funds with so much fervor that, according to one report, Swiss authorities have warned the banks and finance houses to slow down. It seems savings were being soaked up on a scale large enough to put a strain on the country's capital market.

The British fund managers have enlisted over 620,000 people in what that country calls "unit trusts." The average holding is calculated at nearly $900.

A Belgian bank says mutual funds have come to stay in that nation and "may be expected to show a further appreciable expansion." The first good-size modern-day mutual fund was organized in Belgium a couple of years after World War II. It took the name of Depot Anglais, an apt title since it concentrated on sterling securities. Depot Americain followed a year later, emphasizing U. S. shares and in 1949 there was organized Depot Belge, seeking investment in Belgium issues.

While Belgian funds have soared in size to $80 million from a mere $3 million, they're a long way from Switzerland, where assets total nearly $800 million, a fivefold growth within a decade. The Germans are in second place with over a half billion.

True, these figures are not very impressive alongside the $18 billion in assets to which American investment companies can lay claim. The U. S. total stood at around a billion in 1946. But considering the devastation of Europe in the last war, the growth is extremely impressive. And, with the continuing upsurge in their economies, the Europeans may be expected to show an ever-increasing interest in this form of investing. Also, it should be remembered that many countries abroad do not have capital-gains levies, so the investment incentive could be even greater than in the U. S.

Mr. Khrushchev has promised a reduction of income taxes and the development of conditions that will permit the Russian people to accumulate wealth. Here is an ideal combination for the creation of an investment community. On second thought, the Moscow-based customer's man will not even have to acquire a working knowledge of the local language. The gain in Das Kapital is a kind of universal language. And we'd give a purse full of rubles to see the look on the Russian Bear when he is told that the law does not permit him to take part in a Bull Market.

And whatever became of the Moscow Stock Exchange?

The Funds Report

Wellington Equity Fund's net asset value per share increased from $12.03 to $12.86 during the six-month period ended April 30, an increase of 6.9% exclusive of dividend income, Walter L. Morgan, President, reported in a semi-annual statement to stockholders.

The report also showed that Wellington Equity Fund's resources increased by almost $3,000,000 in the half year ended April 30, and totalled $43,400,000.

New investments include 25,000 shares of Arkansas Louisiana Gas, 20,000 Transitron Electronic, 17,000 Scott & Fetzer, 12,500 American Broadcasting - Paramount, 7,000 American Greetings Corp., 7,000 Government Employees Life Insurance, 3,000 Texas Instruments and $520,000 Collins Radio convertible debentures 4¾s due in 1980. Principal increases include 14,900 Papercraft Corp., 13,073 Public Service Co. of New Mexico, 8,500 Norwich Pharmacal, 8,400 Central & South West Corp., 6,800 American News, 6,000 Smith, Kline & French, 3,500 Polaroid, 1,400 International Business Machines and 750 Rohm & Haas. Wellington eliminated 22,000 Gustin-Bacon, 18,400 Caterpillar Tractor, 14,000 General Motors, 12,000 Standard of California and 11,550 Cerro de Pasco.

* * *

Samson Convertible Securities and Capital Fund, Inc. reports net asset value per share at May 19 was $25.85, a gain of 5½% from the $24.50 per share figure on July 2, 1959. Recent common stock acquisitions include Jarrell Ash, Elco Corp., Philips Lamp and Rheem Manufacturing. Convertible debentures added include American Electronics 5¼s of 1978, Brush Beryllium 5s of 1974, Eitel McCullough 5¼s 1974, Fischer & Porter 5¼s 1977, Gabriel Company 5¾s of 1974 with warrants and National Research 5s of 1976. Other major investments in convertible debentures include Aldens 5s of 1979 and Scott Paper 3s 1971.

* * *

Affiliated Fund, Inc. reports net assets at April 30 totaled $573,149,625, equal to $7.05 a share, after payment of a capital-gains distribution of 36¢ a share, on 81,264,198 shares. This compares with $560,125,919, $7.62 a share and 73,462,042 shares a year earlier.

* * *

National Securities & Research Corp. announced quarterly distributions from net investment income of 3¢ on National Growth Stocks and 8¢ on National Income, both payable June 15, to stock of record May 31 for these National Securities Series of mutual funds.

* * *

Energy Fund's net asset value per share reached a new high of $21.82 on May 17. Total assets also were at a record level of $10,877,384. The number of shareholders is now more than 5,000, compared with 3,327 at the beginning of 1960. Net assets per share increased 2.8% from the beginning of 1960 to May 17. Among the fund's largest holdings are Ampex, Texas Instruments, N. V. Philips' Gloeilampenfabrieken, Tampa Electric and Litton Industries.

* * *

Income Fund of Boston, Inc. declared a quarterly dividend of 10c per share from net investment income, payable June 15, to stockholders of record May 27. This dividend is at the same rate per share as that paid last year at the corresponding time.

* * *

Rittenhouse Fund has completed major new positions in the common stocks of Eastern Airlines, Inc. (9,040 shares) and the United Biscuit Company of America (8,000 shares). The holdings of each of these companies now represent approximately 5% of the total assets of the fund ($5,200,000) and are the largest single holdings in the portfolio with the exception of Brush Beryllium of which 9,600 shares ($336,000 market value) are held.

"Wall Street 20th Century"

Thirty-nine leaders in government, business and finance will contribute articles to a new publication, "Wall Street/20th Century," which is being sponsored by The Investment Association of New York. The book will cover all major phases of Wall Street and the world of finance.

Illustrated and containing 196 pages, the book is an up-dated and expanded republication of "Wall Street 1955" which was published by the Yale "Daily News." The original edition was so popular that the Investment Association, an organization of young men employed by investment banking firms in New York, and the 1955 Board of the Yale "Daily News" decided to revise and expand the latter's former publication. The two organizations co-operated in gathering the various articles, and the Investment Association raised the necessary funds from more than 100 of the country's leading investment firms.

Editorial material in the new edition has been designed to report on the financial community and its keystone role in the life of America and of the world—together with special feature articles on the technical operations of the country's money marketplaces. Among the contributors to the book will be Bernard Baruch; Secretary of the Treasury, Robert B. Anderson; Chairman of the Board of Governors of The Federal Reserve, William McC. Martin; Chairman of the Securities and Exchange Commission, Eugene Gadsby, and leading economists, bankers and investment bankers.

Designed to familiarize educators, students and governmental officials with the philosophy and workings of American finance, the book will be distributed free-of-charge to:

American college presidents, deans and placement directors.
Certain public, business, insurance, military and newspaper libraries.
U. S. Government information agencies for overseas distribution.
All U. S. Senators and selected Congressmen.
All U. S. Governors.
Presidents of the top 250 firms in "Fortune's" list of leading cos.
Leading professors of economics.
Seventy-five Heads of State around the world.
All U. S. Consulates and Embassies.

N. R. McKay Opens

FALLS CHURCH, Va.—Neville R. McKay is conducting a securities business from offices at 115 Mary Street.

Calvin Bullock Holds 50th Investment Seminar

More than 2,500 mutual fund salesmen from leading investment houses all over the country have attended the monthly Calvin Bullock Investment Seminars during the last six years, it was announced at the 50th session of the seminar held at Calvin Bullock, Ltd., One Wall Street, New York.

Thirty-seven salesmen were on hand for the 50th monthly seminar session which ran for two days and featured informal talks by Hugh Bullock, President of Calvin Bullock, Ltd., and staff members of the firm.

The discussion emphasis for the two days was on sales techniques and included talks on types of mutual funds, their history, estate planning and investment management.

The Calvin Bullock Investment Seminar, perhaps the first to be held in the industry, will continue as an integral part of the firm's dealer relations activities.

31,769 Accumulation Plans Opened in April

Investors opened a total of 31,769 accumulation plans in April for the purchase of mutual fund shares on a regular monthly or quarterly basis, according to the National Association of Investment Companies. This compares with 31,394 such plans opened in April a year ago.

The N. A. I. C., founded in 1941, has 157 mutual fund member companies having more than 2,000,000 individual and institutional shareholders.

The total number of mutual fund accumulation plans opened includes both voluntary and contractual types. The N. A. I. C. reported that these plans are being opened at a rate of better than 30,000 a month. More than 132,000 have been started since the beginning of the year.

The mutual fund members of the association had combined assets of $15,232,994,000 at the end of April, down slightly from the March total of $15,313,037,000 reflecting a decline in security prices, but above the assets of April, 1959, which were $14,622,668,000.

Investors purchased $166,634,000 of mutual fund shares in April, down from $182,243,000 in March and compared with $192,016,000 in April, 1959.

Redemption of shares in April decreased to $68,544,000 as compared with redemptions of $82,689,000 in April last year, and March redemptions which amounted to $75,323,000.

The portfolios of the N. A. I. C. mutual fund member companies contain an estimated 3,500 securities of more than 2,000 corporations. These holdings of common and preferred stocks listed on the New York Stock Exchange are estimated at approximately 4% of the total value of the exchange's listed stocks.

Form Div. Mutual Fund

Diversified Mutual Fund Co. is engaging in a securities business from offices at 150 Broadway, New York City. Partners are George Miller and Bernard A. Hiller.

With Elkins, Morris

BETHLEHEM, Pa.—Elkins, Morris, Stokes & Co., have announced that L. Douglas Walters is now associated with them as a registered representative in their office at 6 West Broad Street.

Internat'l Tel. Directory Issued

Distribution of the fifth annual edition of the International Telephone Directory is now under way, it has been announced by R. A. Nellson, President of International Telephone Directory Inc. and U. S. representative of I.T.D., which is published in Paris. Mr. Nellson is also president of the Rochester advertising agency Nellson Inc., which specializes in national and international yellow pages advertising. He recently formed International Telephone Directory Inc. to handle U. S. distribution, sales, listings, and advertising for the directory. The company has offices in Rochester, New York, Chicago, and Hollywood.

The two-volume directory is published in four languages—English, French, German, and Spanish. Its 2,157 pages contain the names, addresses, and telephone numbers of almost a half million firms, individuals, and services under some 4,500 coded categories ranging from "Abattoir Equipment" to "Zoological Gardens." It has a world-wide circulation of over 200,000 and contains listings and advertising of firms in 108 countries.

Price of the directory is $20.

Stifel, Nicolaus Adds

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill. — Mrs. Ann L. Hunt has joined the staff of Stifel, Nicolaus & Company Incorporated, 105 West Adams Street. She was formerly with Reynolds & Co.

AS WE SEE IT *Continued from page 1*

ever, why it is needful to give the matter some attention at this time. One of them is that in Russia real strides appear to have been made in modernizing production techniques and in the operation of industry and agriculture. The other is that under the influence of the New Deal and related notions we have put a good deal of sand in our own gears just at a time when all agree that it is vital that we continue to lead the way in producing and distributing the good things of life.

We are not among those who grow panicky about "growth rates" in Russia as compared with those in this country. We are too well aware that the nearer zero one starts the greater any given amount of growth will appear when presented in percentage form. We are also quite skeptical of the accuracy of many of the figures the Communists publish about themselves and their economy. And finally there are too many pitfalls in any statistical measurement of growth, and too many considerations—too many vital considerations—which do not and could not well be reflected in any set of growth rates. It is well enough to play with the so-called growth rates in this country and in Russia—provided one does not take them too literally or too seriously. We doubtless may assume that the Soviets have done a great deal to accelerate their growth in several areas at least, but much farther than that it is hardly safe to go.

Here at Home!

What disturbs us much more than anything that has taken place or is taking place in the Russian economic system is what has been going on in this country. And in making this statement we have no reference to the various statistical measures of growth rate now or in the past. We are well aware that by choosing terminal dates for the purpose, or choosing a series of years for the purpose, we can obtain almost any pre-determined rate of growth that we desire. We are likewise fully aware that the phenomenon usually chosen to measure growth, the so-called Gross National Product, does not necessarily, and indeed does not ordinarily, measure economic growth in an altogether useful sense. What is being produced is as important as how much is being produced. When enormous amounts of unneeded government activity and large excesses of agricultural produce added to our already excess stock piles are included in GNP—to say nothing of a good many other questionable directions in which our economy is extraordinarily active — we must remain a little skeptical about current measures of growth rates in this country.

But what we do know, and know without the aid of any sort of statistical procedures is that many millions of manhours are annually devoted to the production of agricultural products no one wants or will or can buy, while the rest of us are taxed to keep this farce going. We can, of course, never do our best in any contest with communism so long as this waste of manpower and resources continues. We are aware, as all informed observers are, that further millions, yes hundreds of millions of manhours are lost by senseless restrictions imposed upon industry by labor unions, to say nothing of other forms of featherbedding so commonly found in our industry and trade.

We know too that we work under a tax system which robs men of much of their incentive to produce goods and services that we do want and need. With corporations—at least the larger ones—obliged to turn over to the Federal Government more than half of all their profits, and in a good many instances pay other far from negligible amounts out to state government in the form of income taxes; with individuals obliged to pay up to over 90% of any additions to income once they reach a productive stage such as we should wish them to reach and as they must reach if we are to be able to put our best foot forward in any production contest with communism—with such incentive destroying systems as these in effect it is difficult to see how any one can expect our industry and trade to do itself full justice in competition with communism or with any other sort of economic system.

More Wisely as Well as Harder

And, so the story might go on almost indefinitely. There are the huge exactions by government for purposes which are not only not helpful to the economy but which lay a dead hand upon it—the reports required, the regulations imposed, and the various other interferences with legitimate business. And sad to relate, the Administration of President Eisenhower, who now calls upon us all to work a little harder to outdo communists, has shown virtually no disposition to lift these burdens from the back of business! Some of the President's advisers should call the attention of an overworked chief executive to the handicaps which his predecessor imposed upon us all and which he has done little or nothing to remove!

Meanwhile the communists with whom we are asked to compete have learned a good many of the tricks common to the economic system which placed us in the forefront of nations. We must work a little more wisely—in our national affairs—as well as "a little harder."

Making Promise of 1960's A Reality Instead of Mirage

Continued from page 1

supersonic air travel; in astronautics, the exploration, if not the conquest of space; in medical science, further conquest of disease—perhaps even a successful penetration of the dark curtain which hides so many mysteries of cancer. Geneticists will control mutation in plants and animals, and prospective parents may even be able to choose whether to have a boy or a girl.

These are but a few of the dividends we may expect from the $60 billion we invested in research and development during the 1950's, and the $120 billion that we will probably spend for the same purpose in the sixties.

In this new decade, we will, I feel sure, take more of the sweat and drudgery out of human effort, and more of the nuisance factor out of everyday living. Who knows? We may even find a solution to the parking problem and invent a zipper for the back of a woman's dress that won't get caught.

We should also make further advances on the spiritual and moral fronts—a consummation devoutly needed and devoutly to be wished.

Yes, if we can avoid a shooting war—and, of course, all our plans and predictions are based upon that major premise — the **opportunities** of the 1960's for a more productive and rewarding life are undoubtedly tremendous. I must, however, underscore the word "opportunities." This new decade is rich with opportunities but we have no guarantees that the best years of our life as a nation are ahead of us.

Making Promises a Reality

The promises of the 1960's have a glittering air about them, but a promise is only a mirage unless we make that promise a reality. An opportunity is nothing unless grasped. Indeed, some of our promises can turn into liabilities if the economy is not kept healthy. Take, for example, the promise of an exploding population. More people are always welcome in a healthy economy—one in which the business climate is favorable. They mean more consumers, more production, more workers, more income. But no nation can propagate itself into prosperity. In an unhealthy economy more people can mean unemployment, misery and even disaster, as we have witnessed in other parts of the world.

So much for the promises. The perils can be dealt with ever more directly. Promises are necessarily a little misty. Perils come into focus more readily.

We would be naive indeed if we failed to realize that when we turned the calendar to Jan. 1, 1960, we did not leave the unsolved problems of the 1950's behind. New Year's Day was not a cut-off date.

Each generation bequeaths its its unsolved problems to its successors. In the 1960's we inherited a group of such problems from the 1950's. We have other problems which are hangovers from the 1940's, and we are not exactly lacking in problems which had their incubation in the 1930's. All told, there is quite a list.

Lists Problems To Be Solved

Among them are such problems as tax reform, the imbalance of power at the wage contract bargaining table, the problem of technological unemployment, the rebuilding of our big cities, the farm problem, the management of a colossal national debt, the enlargement and improvement of our schools to meet the rapidly expanding needs, the problem of capital expansion to produce more goods and new products at lower costs, and the problem presented by the widespread lack of understanding of the operation and functioning of our private enterprise economic system.

These are some of our pressing problems which we in the sixties have inherited. Our **major** unsolved domestic problem, however, is still that of inflation.

We have been waging a losing battle with this old enemy for 30 years. In the last two decades alone, the dollar has lost over one-half of its value. Right now prices are fairly stable and the national budget is in virtual balance. A surplus is even being predicted for the next fiscal year. It is being said by some that the threat of inflation is over. I do not believe it. There may be a pause, but there is as yet no dead stop.

Our Built-in Inflationary Bias

Under our political system, based as it is on universal suffrage, there is a built-in bias toward inflation. The average person is inclined to vote for the candidate who promises most in the way of spending rather than the one who calls for fiscal self-restraint. The average worker has been led to believe that he is entitled to a raise in wages every year regardless of any increase in his productivity. The average employer is inclined to grant such wage increases as long as he can simply add them to the price of his product.

We must not let ourselves be deceived by the temporary relaxation of inflationary pressures. The threat is still there, as potent and dangerous as ever. There are still powerful groups in this country who would have us confuse government spending with economic growth. There are still powerful groups whose interests are served by inflation and who, therefore, either actually want it or regard it with complacency. The mere entry into a new decade is no proof that this most deadly enemy of the free market system and democratic institutions has been laid low.

Up until recently we have indulged in this insidious financial drug, inflation, with results which, while deplorable, have not been calamitous. Despite the steady erosion of the dollar, it has remained the strongest currency in international markets. We have now reached the point, however, where this may no longer be true if there continues further deterioration in its purchasing power. This is because there has been injected into our financial problems an element which, while not new, is one with which we have not had to be seriously concerned until recently — namely, the balance of international payments.

Balance of Payment Problem

During the past ten years our gold holdings have declined from $24.6 billion to $19 billion. During this same period the claims against our gold, on the part of others, have been rising rapidly. Foreign holdings of short-term dollar assets have increased from $7.6 billion in 1949 to $19 billion at present. This increase in these claims against our gold represents to a large extent deferred settlement of the unfavorable balance of payments which has been accumulating at an increasing rate over practically all of the last ten years. In the meantime, the leading industrial nations of Europe have progressively restored the free convertibility of their currencies.

The editor of the *Morgan Guaranty Survey* admirably sums up the situation this way:

"The payments disadvantage has been going on too long, and that inclination to withdraw gold. The latter development can be explained partially by the desire of other countries to rebuild their own gold supplies. But it must also be read as a warning that the balance-of-payments deficit has been going on too long, and that the dollar is now in competition with other strong currencies. What has happened thus far, in other words, is a hint of what may happen on a much more drastic scale unless certain actions are taken to correct the payments imbalance and affirm to the world our determination to prevent further erosion of the dollar.

"The necessary steps are well known. They include the arresting of the wage-price spiral which has so badly hurt American exports, tighter control of government expenditures, legislation to permit sensible management of the Federal debt, and an unmistakeable casting out of the soft-money bias which for a quarter century has haunted the U. S. economy like the mark of some unexpiated sin. There is nothing new about these requirements—advocates of monetary soundness have been urging them through the whole long period when outside circumstances masked the need to abide by them. Now gold, that ancient disciplinarian, is reasserting the lesson—in a way that can escape no one's attention."

We have been taught from childhood to believe that our system of government—a government of laws, and not of men—a government based upon the individual freedoms—is the best ever devised by the mind of man. We have also been taught to believe that, as expressed by President Eisenhower in a recent press conference, our free enterprise system "produces more — not only more happiness, more satisfaction and pride in our people, but also more goods, more wealth."

The Challenge to Our Basic Beliefs

These things we have been taught to believe and we do devoutly believe them. They constitute the American credo, and thus far in our history events have borne out our faith in these tenets.

Now for the first time these beliefs — these faiths — are being seriously challenged. They are being challenged on every front—military, economic, ideological and spiritual.

On the military front we are being called upon to prove that we can be prepared to protect ourselves and retaliate against an aggressor on instant notice without the buffer of a friendly ally to absorb the first shock of attack

—something we have always had in the past.

On the economic front we must prove that a free people working in a free market system can by their ingenuity and efficiency successfully compete in world markets with those laboring under any other system. On the ideological front we must prove that voluntary action is more effective than compulsion—that the dignity of the individual is more important to national survival than exaltation of the state—that we can fight a cold war without abandoning our free market system by resorting to hot war controls.

And finally, on the spiritual front we must prove that a race of people who believe in a divine purpose can withstand and prevail against any people or combination of peoples who are guided and bolstered by no such faith.

Faith, Optimism and Sacrifice

These are the challenges which must be met in the decade ahead. These are the things which we have yet to prove conclusively. Optimism and faith will be needed, of course, but these attitudes alone will not be enough. They must be coupled with hard work, high resolve and self-discipline. Even a **cold** war cannot be won without sacrifices. We cannot win with shorter hours of work, with long and costly strikes, wage-price spirals, feather-bedding, unbalanced budgets, and laws and regulations and fiscal practices which discourage savings and stifle initiative and self-reliance.

The new decade presents a special challenge to us of the business management community. Ours is a government "of the people." By that is meant government of **all** the people, not just those with special interests. If any group neglects to participate actively in the election of political leaders and the formation of political decisions, to that extent the democratic processes fail to function as intended by the authors of our Constitution. Democracy is not a spectator sport.

We of the business management community have until recently failed in our responsibility as citizens by leaving politics to others. We have been too busy tending our machines and keeping our shops.

Belatedly, we have made a start towards effective participation in democratic government. While this start is an impressive one, we have a long way to go before we will be living up to our full citizenship responsibilities.

Perhaps the 60's should be labeled the decade of decision, for as we enter it we are confronted squarely with the question of which way we want to go. Do we want to improve and perfect our free market economy or is our goal an all-powerful central government? Do we want to retain our position as the leader of free nations or abdicate that role by unwillingness to meet the stern requirements of leadership?

There is an old Eastern proverb which runs like this: "What would'st thou have?" quoth the Prophet. "Pay for it and take it." It means, of course, that there is a price tag on everything, and that you can have anything you want if you are willing to pay the price.

There is no doubt as to which way we of this nation would **like** to go in this bright new decade. The only question is "Are we willing to pay the price?"

If we are faithful to our heritage of freedom, we will not fail to do so.

***An address by Mr. McDonnell before the 2nd General Session of the 48th Annual Meeting of the Chamber of Commerce of the U. S., Washington, D. C., May 3, 1960.**

STATE OF TRADE AND INDUSTRY

Continued from page 5

can be attributed to better weather.

The best that can be said for the steel market is that it is no longer deteriorating, the magazine said. Cancellations have fallen back to normal proportions. Incoming orders have leveled off.

Steelmakers are still shipping more tonnage than they are booking. In some product lines (oil country goods, buttweld pipe, stainless), they are booked at less than half of capacity this month. Reason: Users overestimated their needs and are continuing to liquidate surplus stocks.

Demand for flat rolled steel is holding up fairly well, but most mills have June openings for cold rolled sheets, galvanized items, and tin-plate—products that were almost impossible to get early in the year.

Steelmakers have received some unexpected orders from the auto companies in the last three weeks, reflecting continued improvement in new car sales. Dealers still have more than 1 million cars in stock (vs. 834,000 a year ago). They are selling cars at a faster pace than at any time since 1955, but in May of that year, they had only 763,000 on hand.

The car companies have in stock or on order almost all the metal they will need to wind up production of the 1960 models. Additional purchases will be strictly of a fill-in nature.

Steel producers last week continued efforts to balance production and demand. Operating furnaces at 71.7% of capacity (2.1 points below the previous week's revised rate), they poured about 2,042,000 ingot tons.

Scrap prices are holding. "Steel's" price composite on prime heavy melting steelmaking scrap remained at $33.33 a gross ton for the third consecutive week.

Steadily increasing sales are helping West Coast metalworkers push ahead from a good although somewhat disappointing first quarter, "Steel" reported in its regional check on the nation's business pulse.

Prices are expected to stay firm for a while but may increase in a few areas—particularly after steel wage hikes take effect in December. Layoffs in the aircraft industry have probably hit bottom.

This Week's Steel Output Based On 66.9% of Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *118.7% of steel capacity for the week, beginning May 23, equivalent to 1,906,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compare with the actual levels of *126.4% and 2,031,000 tons in the week beginning May 16.

Actual output for last week beginning May 16, 1960 was equal to 71.3% of the utilization of the Jan. 1, 1960 annual capacity of 148,570,970 net tons. Estimated percentage for this week's forecast based on that capacity is 66.9%.

A month ago the operating rate (based on 1947-49 weekly production) was *137.6% and production 2,210,000 tons. A year ago the actual weekly production was placed at 2,650,000 tons, or *165%.

Spring Boom to Spur Compact Car Production

The spring boom in compact car sales will require the U. S. auto industry to maintain record production levels during May and June, "Ward's Automotive Reports" said on May 20.

The agency said that while some dealers have substantial new car stocks on hand, the average daily supply for Comet, Falcon and Rambler dealerships is such that interrupted production could send sales plummeting.

The latter three makes have accounted for 67 per cent of U. S.-built compacts sold in the past two months, "Ward's" said.

"Ward's" said automobile production for the week ended May 21 will rise about 7% over last week with Chrysler Corp. and General Motors pacing the industry to a 3-month high of more than 156,500 cars.

The reporting service noted that GM planned to boost its car output 9% to an 11-week high of about 75,354 units, and that Chrysler production was expected to increase 25% to about 26,350 cars, the best total for the company in more than three months.

The week's high-volume operation was underscored by a strong six-day work schedule throughout the industry "Ward's" said.

General Motors planned Saturday operations at seven Chevrolet and Corvair assembly plants and at two of the Buick-Olds-Pontiac facilities. Chrysler Corp. plants maintained five-day operations, except at Dodge Hamtramck which produced cars through Saturday, and the Dearborn Imperial site which was idle all week. Ford Motor Co., currently producing nearly as many Falcons and Comets as standard Fords, continued to operate its compact car lines on a six-day basis. Rambler repeated its six-day, three-shift program.

Electric Output 4.2% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, May 21, was estimated at 13,468,000,000 kwh., according to the Edison Electric Institute. Output was 118,000,000 kwh. above that of the previous week's total of 13,350,000,000 kwh. and showed a gain of 537,000,000 kwh., or 4.2% above that of the comparable 1959 week.

Car Loadings for May 14 Week 7.7% Below 1959 Level

Loading of revenue freight for the week ended May 14, 1960, totaled 639,954 cars, the Association of American Railroads announced. This was a decrease of 53,042 cars or 7.7% below the corresponding week in 1959 but an increase of 78,914 cars or 14.1% above the corresponding week in 1958.

Loadings in the week of May 14, were 1,749 cars or three tenths of one per cent below the preceding week.

There were 10,807 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended May 7, 1960 (which were included in that week's over-all total). This was an increase of 2,341 cars or 27.7% above the corresponding week of 1959 and 5,993 cars or 124.5% above the 1958 week. Cumulative loadings for the first 18 weeks of 1960 totaled 187,879 for an increase of 54,098 cars or 40.4% above the corresponding period of 1959, and 105,189 cars or 127.2% above the corresponding period in 1958. There were 52 Class I U. S. railroad systems originating this type traffic in the current week compared with 47 one year ago and 40 in the corresponding week of 1958.

Intercity Truck Tonnage For Week Ended May 14 Was 3.6% Below 1959 Week

Intercity truck tonnage in the week ended May 14, was 3.6% below the volume in the corresponding week of 1959, the American Trucking Associations, Inc., announced. Truck tonnage was 1.8% behind that of the previous week of this year.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Research Department. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

Business Failures Up Again For May 19th Week

Commercial and industrial failures rose to 313 in the week ended May 19 rebounding from the dip to 304 in the preceding week, reported Dun & Bradstreet, Inc. Although casualties were considerably heavier than a year ago when 259 occurred, they remained below the 337 in the similar week of 1958. Failing businesses exceeded by 8% their pre-war toll of 289 in 1939.

Casualties with liabilities of $5,000 or more increased to 275 from 269 in the previous week and 227 last year. Among small failures, those involving liabilities under $5,000, there was a slight rise to 38 from 35 a week earlier and 32 in the comparable week of 1959. Liabilities ranged above $100,000 for 29 of the week's casualties as against 35 in the preceding week.

Retailing and construction accounted wholly for the higher tolls during the week. Casualties among retailers climbed to 150 from 129 and among construction contractors to 55 from 46. In contrast, manufacturing failures declined to 49 from 62 and wholesaling to 28 from 36, while commercial service held steady at 31. Business mortality exceeded year-ago levels in all industry and trade groups, with the most noticeable upturn in construction.

The week's increase was concentrated in four of the nine major geographic regions. The New England States, up to 21 from 8, and the Pacific States, up to 74 from 59, and the East South Central, up to 12 from 5, reported the most marked upturns from the previous week. On the other hand, the toll in the Middle Atlantic dipped to 86 from 94, in the South Atlantic to 39 from 44, and in the West South Central to 15 from 28. There was little change in the North Central and Mountain States. Trends from 1959 levels were mixed; five regions had heavier casualties, three had fewer, and one held even with last year.

Wholesale Food Price Index Edges Up From Prior Week

Although there was a fractional rise from the prior week in the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., it was down somewhat from a year ago. The index rose 0.2% to $5.94 on May 17 from $5.93 a week earlier, but was down 2.6% from the $6.10 of the corresponding date a year ago.

Up in price this week were flour, corn, lard, cottonseed oil, eggs, and hogs. Commodities quoted lower in wholesale cost were wheat, rye, hams, butter, cocoa, and potatoes.

The index represents the sum total of the price per pound of 31 raw foodstuffs and meat in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Down Moderately in Latest Week

The general commodity price level dipped moderately in the latest week, reflecting lower prices on wheat, flour, butter, hogs and steers. These declines offset slight increases in corn, rye, and rubber. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 274.40 (1930-32=100) on May 23, compared with 275.38 a week earlier, and 275.87 on the corresponding date a year ago.

With most buyers waiting until the new crop is available, trading in wheat declined appreciably this week, and prices were significantly lower. In addition, purchases of wheat by flour mills were limited. During the week wheat receipts were light.

Corn prices climbed noticeably, as both domestic and export buying expanded sizably; corn receipts remained light in most markets. Corn prices were also influenced by reports of continued wet weather in growing areas.

There was a fractional rise in rye prices from the prior week, despite continued good crop prospects. Reflecting sluggish volume, oats prices were moderately lower. An appreciable rise occurred in soybean prices during the week, as domestic purchases were steady and export buying expanded noticeably.

The buying of flour lagged again during the week and prices dipped somewhat; sizable offerings were submitted to Vietnam. Although domestic and export purchases of rice dipped from a week earlier, prices were steady.

While volume in sugar was limited, prices were unchanged from the prior week. A fractional decline occurred in coffee prices, as transactions lagged. There was a slight dip in cocoa prices, despite a moderate pick-up in trading.

There was no change in spot cotton prices on the New York Cotton Exchange this week. The United States Census Bureau reported that consumption of cotton last month in the United States amounted to 708,000 bales, slightly more than what had been estimated.

Bad Weather Hurts Retail Sales

Cool and rainy weather in some areas held over-all consumer buying this week appreciably below a week earlier, and retail trade was down fractionally from the similar period a year ago. Year-to-year declines in sales of apparel, air coolers, and furniture offset gains in some major appliances, draperies, and linens. According to scattered reports, volume in new passenger cars matched that of a week earlier and moderate increases from last year were sustained.

The total dollar volume of retail trade in the week ended May 18 was from 3% below to 1% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1959 levels by the following percentages: Mountain +3 to +7; East South Central +1 to +5; New England, South Atlantic, and West South Central —2 to +2; Pacific Coast —3 to +1; Middle Atlantic and East North Central —4 to 0; West North Central —5 to —1.

Nationwide Department Store Sales Down 2% for May 14 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended May 14, 1960, show a decrease of 2% below the like period last year. In the preceding week, for May 7, a decrease of 1% was reported. For the four weeks ended May 14 a 2% increase was registered over the same period in 1959 while the Jan. 1 to May 14 period showed a 3% increase.

According to the Federal Reserve System department store sales in New York City for the week ended May 14 increased 1% over the like period last year. In the preceding week ended May 7 sales increased 9% over the like period last year. For the four weeks ending May 14 a 9% increase was reported over the 1959 period, and from Jan. 1 to May 14 showed a 6% increase over 1959.

***Index of production is based on average weekly production for 1947-49.**

Elliott to Admit

On June 1 James T. King will become a general partner and R. Carl Chandler a limited partner in Elliott & Company, 25 Broad Street, New York City, members of the New York Stock Exchange.

Wanted: A Civic Defense Of Investment of Savings

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savings and investments made in terms of dollar obligations.

Both types of threats arise out of the transformation that has taken place over the past quarter of a century or so in the relationship between the American people and their government. Those who are today old enough to have carefully observed events over the past 25 or 30 years can recognize this great transformation by merely consulting their own memories.

I think many will agree that formerly the principal job of government was to defend the nation, and see to it that people did not cheat or steal from each other, or resort to intimidation and coercion in their dealings with each other. Economic decisions about how much of what was to be produced, where and when, and at what price or wage were impersonally and self-reliantly decided by the people themselves through their own voluntary and competitive markets. Through those same markets each justly received the equivalent of what he produced to keep or spend, to save or invest, as he saw fit. Adherence to a gold standard prevented resort to extreme monetary inflation. Government was not costly and it had not, in the words of the Declaration of Independence, "erected a multitude of New Offices, and sent hither swarms of officers to harass our people, and eat out their substance."

Things are a bit different now. We have moved well along toward what some people call the Welfare State. I guess we have the "multitude of New Offices" and the "swarms of Officers" along with literally millions of people dependent on amounts which the government in its political wisdom doles out to them. It gets the money through stiff taxation of the productive and through what amounts to printing-press multiplication of the irredeemable paper money in which we nowadays conduct our business. Government has become quite costly —on the average nearly 30 cents out of each national income dollar is taken in taxation.

Future historians will unquestionably conclude that we have passed through an era of highly significant change in social and political attitudes. A principal preoccupation is now the management of a massive redistribution of income away from those who produce it to bestow on those who want it and can exert the political pressure to get it. This may in the long run prove all to the good—or it may not. The historians will decide.

My concern at the moment is the extent to which the mechanics of welfareism may inadvertently stifle the basic saving and investing incentives, or nullify them, through inflation.

To see how this might work out consider how it happens that any individual ever does any saving or investing. What are the capabilities, the opportunities and the incentives involved? I suppose that most would agree that man, being possessed of intelligence and imagination, has normal fears of the unknown future. He therefore is stirred currently both to exert himself in producing and restain himself in consuming and thus accumulate savings against the coming of a "rainy day" or old age infirmity. Even squirrels hoard nuts on which to feed through winter months.

It next seems pretty obvious that those who are more productive can more readily develop a savings margin than can the less productive whose energies are more fully absorbed in covering current living requirements. Rising and higher real incomes are the nation's basic source of individual savings. If we wished to obliterate this source the simplest thing to do would be to destroy both the individual's incentive and his ability to save by quite simply confiscating through taxation the savings margin. The practical way to do this in a democracy (as Karl Marx urged in the Communist Manifesto) is for the majority to get together and "soak" the more productive minority through steep progressive taxation of income. It is a matter of record that we have done this, with tax rates on the more productive running up to 90% or more of their incomes. It is too bad that it is the savings margins that must first bear the impact of the high-rate tax onslaught and thus tend to be squeezed out, whereas it is encouragement of the save-invest process that would more surely carry the promise of progress.

Another fairly obvious way to discourage individual savings is to tell everybody that they need not fear nor themselves provide against a coming "rainy day" or old age because they will be taken good care of by a welfare-minded state. We have travelled some distance along that road, too. We could also encourage spendthrift attitudes, to the detriment of thrifty ones, by providing that if one did not during his lifetime use up whatever savings he had accumulated in spite of taxation, his remaining estate would be subject anew to steep progressive taxation. And this, too, we also have.

Importance of Corporations

I have commented only of the impact of Welfare-ism on individual saving incentives and capabilities. But most of America's business is conducted through the voluntary associations of individuals we call corporations. They are responsible for mighty mass production flows beyond the capacity of single individuals. They are the core of our industrial strength, our principal instrument of growth. They could not exist except that savings be invested in their equities and obligations; and such investment will not occur unless they make profits out of which to reward the investors, with something left over against "rainy days" and to partly finance competitively required growth. Our social revolution has aspects adverse to this phase of the vital saving-investing process in America. Thus if anyone wanted to stop America dead in its tracks and reduce its population to a poverty-striken rabble he could ask for no better way than to impose a 100% tax on corporate profits. The results would be sensational. That the nation does as well as it does with a 52% immediate tax, and then a further tax of the income when it is transferred as dividends, is something for which we should all be deeply grateful.

The word, "sensational," reminds me that the potentialities of taxes with respect to the vital saving-investing process were noted in something the late Sumner H. Slichter said way back in 1942. He said, and I quote: "The tax history of the United States in recent years has been fairly sensational. A visitor from Mars would suspect that a Communist fifth columnist was writing the laws for the purpose of making private enterprise unworkable." End of quote. A warning from the grave that is perhaps not lightly to be laughed off! And if we were to heed that warning I think we surely would impress upon our lawmakers the urgency of a complete revision of our tax structure so as to encourage, and not to stifle, incentives.

The Give-Away Spiral

Here then are some of the things threatening the vital saving-investment process in America. If we are intelligently to protect the integrity of that process then we need to understand something about the origin of the threats. I think that origin is to be found in the extravagant spending requirements of a welfare state, more particularly in what I have elsewhere described as the Give-Away spiral. The spending becomes the justification for crushing taxation of the productive and also for resort to inflation, which erodes, as I believe most people now understand, the real value of dollar savings and of investments in bonds. The spiral starts when government abandons the principle that all men are to be equal before the law, and instead classifies the citizens by occupation, age, income, or otherwise, in order to give subsidy or special privilege to selected groups at the general taxpayers' or consumers' expense.

But once a moral principal is broken to gain the favor of one group, then other groups enviously seek similar privilege on threat of withholding political favor. The grantor of privilege becomes self-entrapped. He cannot withdraw the privilege and retreat behind the re-established moral principle, for privilege once granted is soon regarded as vested right by its recipient; and resentment of its withdrawal outweighs prior gratitude for its receipt. The grantor of privilege is instead condemned to go on and on giving more and more to politically significant groups merely to retain favor previously acquired. The spiral, once initiated, thus tends to become automatically self-perpetuating. Do we need a better example than the history of payments under our welfare laws? The Congress has voted an increase in those payments in every Federal election year from 1950 on, and it now appears 1960 will prove no exception.

To meet the pay-out requirements taxes must be increased. But they generally must be levied, or appear to be levied, on minorities, lest majority resistance be aroused. This in turn means that they must be levied on the more productive and more enterprising "able - to - pay" individuals, and corporations. But this in turn skims away savings margins and undermines the incentive to invest, to be more productive and efficient, as I have already noted. And hence taxation alone cannot meet the mounting spending requirements. Perhaps there is a basic human law that even the most skillful cannot endlessly purchase popularity unless what they hand out to people is more than they take away from them. And hence to get additional money the give-away spiral politically requires the State to go deeply into debt—as it has before, during and following the great war. And because those who otherwise might have been able to invest in the new bonds have already been tax-despoiled of their savings, the debt then has to be sold to commercial banks who pay for it by giving to the Government a bookkeeping increase in the Government's deposits with them. Thus more of the deposits that we use for money are created. This multiplication of the money supply is the modern equivalent of the old-fashioned money printing press. And there you have one great root of the inflation we have experienced over a quarter of a century in evolving our trend towards welfarism. This may all seem a bit obscure—which might be a virtue from certain political viewpoints—but though there are numerous steps in the process, each one is the simple and inevitable sequel of the preceding one. It is not too difficult a subject on which to "get wised up"—if I may resort to the vernacular. And perhaps we had better do so.

Cost-Push Inflation

Extravagant government financed on soft money is the classic source of inflation. We also have another and new one at work that has been recognized as cost-push inflation. It originates in the special privileges and monopoly power of massive industry-wide labor unions. Cost-push inflation is not so much an **economic** phenomenon as it is a **power** phenomenon, although the exercise of that power has serious economic consequences — to wit, inflation. The long record is cumulative and convincing that in "round" after "round" of collective bargaining inflationary wage increases have been forced on one industry after another. Since in industry as a whole employment costs represent three-quarters or more of all costs, their inflation has forced cost-covering price increases.

This cost-push inflation is one of our most serious problems—and I emphasize that. But I do not propose to dwell on it at this time because I think that countless intelligent folk are already increasingly aware that the people of this country have inadvertently created a new and frightening inflationary power in their midst for which no countervailing power or control anywhere exists. Their choices are to endure its abuse, to beg the wielders of it not to abuse it, or legislatively to curb or abolish it. I might also add that in our annual report, published last month, we have assembled the facts and set forth the processes of unemployment cost inflation. Any who care to have a copy need only to drop U. S. Steel Corporation a note.

I come now to the close of these remarks. It is appropriate that, during this Invest-in-America Week, we review and realize—each for himself — that America has risen to greatness through diligent practice of old-fashioned thriftness and confident productive investment of savings. We managed to establish a self-energizing spiral of industrial progress. Thus the more we saved and productively invested, the more we were able to produce. But the more we produced above mere subsistence levels, the more we could save and productively invest, thus multiplying anew our productive power and efficiency. And so on, and on! As a result the American people have been blessed with living scales, with comforts and security, beyond the dreams of former times and other peoples. That process has by no means been extinguished. But its impairment is threatened in ways I have mentioned.

It is thus entirely appropriate that we should resolve to engage in what might be termed a civic defense of productive investment and ward off those threats. It is certainly in the interest of each individual to do what he can to preserve the opportunities, the incentives and the safety of saving and investing. More than that, it is in the public interest. For only as we invest can we progress. In short, I present one of those rare opportunities to engage in a preoccupation which is selfish, but which at the same time is a service that is social.

*An address by Mr. Tyson before the Cleveland Chamber of Commerce, and The Invest-in-America Week Cleveland Committee, Cleveland, Ohio, April 29, 1960.

With Thomas Jay Winston

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif. — Kenneth L. Hamilton, Marcy Leondar and James E. Sidgwick have joined the staff of Thomas Jay Winston & Co., Inc., 9235 Wilshire Boulevard. Mr. Leondar and Mr. Sidgwick were formerly with Dempsey-Tegeler & Co.

Oil Import Curb Held Essential

Regulation of foreign oil imports is essential but present federal control of imports creates discriminatory quotas that impose unjust hardships on some refiners.

This appraisal of the year-old federal government program of mandatory curbs on foreign oil imports was reported to about 350 scientists, engineers, and technical representatives of Standard Oil Company (Indiana) and its affiliated companies recently.

William A. Kirkpatrick, manager of Standard's crude oil coordination department in Chicago, also said at the annual Joint Technical Meeting of the oil men that a "loosening of import control in the last half of the 1960's" seems a good possibility.

"A sudden end to controls might lead to chaotic conditions in the domestic industry," he observed.

Oil import controls are essential to the health of the domestic producing industry and the security of the nation," Kirkpatrick said in presenting a report prepared with C. E. Leibacher of Standard Oil.

"In a national emergency we cannot rely on overseas crude to supply our refineries," he pointed out. "A domestic producing and oil transportation industry that had been severely crippled by a flood of foreign oil in peacetime would be in poor condition to shoulder the tremendous burden of supplying wartime or other emergency petroleum needs.

"Discovery and development of oil fields is a long-term process that must be in continual action; it just cannot be started up at our convenience when disaster strikes," Kirkpatrick declared.

His report, however, showed that the government's program for curbing foreign oil gave some companies a great competitive advantage that can be detrimental to the entire producing industry.

Import allocations are based on two principles, Kirkpatrick explained. Some companies that historically have imported oil are allowed a percentage of their past imports as part of their quotas. Other companies receive their quotas based on past refinery runs, but these quotas are further limited by an inequitable sliding scale. This scale is determined on the principle that the larger a refiner's runs, the smaller should be his percentage share, he said.

When quotas are based on the historical record rule, the government insures that competition cannot invade the private domain granted to the few favored refiners, Kirkpatrick pointed out.

"Thus the government preserves for them a position of great competitive advantage," he asserted.

"Use of the sliding scale prevents all refiners from enjoying equitable allocations," he said. "The sliding scale deliberately and systematically discriminates against large-scale refiners."

Kirkpatrick said a great rise in imports probably would follow immediately if controls were lifted, and cutbacks in "already low levels of domestic production" would result.

With Amott, Baker

Edward C. Sheehy has joined Amott, Baker & Co., Incorporated, members of the New York Stock Exchange, 150 Broadway, New York City, as a Registered Representative.

Mr. Sheehy served in the Armed Forces from September 1940 to December 1945 and again from April 1952 to November 1954. Between 1946 and early 1952 and since 1955 he has been active in the investment business with several New York Stock Exchange firms.

Businessman's BOOKSHELF

Air Transportation — 1960 Facts and Figures—Air Transport Association of America, 1000 Connecticut Avenue, N. W., Washington 6, D. C. (paper).

Allocation of the Tax Burden by Income Class — Tax Foundation Inc., 30 Rockefeller Plaza, New York 20, N. Y. (paper).

American Role in Pacific Asian Affairs—J. Graham Parsons—Superintendet of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper) 10¢.

Chicago Board of Trade Statistical Annual—For the year ended December 31, 1959 — Chicago Board of Trade, Chicago, Ill. (cloth).

Annual Report of the Director of the Mint for the Fiscal Year Ended June 30, 1959, including report on Production and Consumption of Gold and Silver for the Calendar Year 1958—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 60 cents.

Assets, Liabilities, and Capital Accounts of Commercial & Mutual Savings Banks — Dec. 31, 1959 — Federal Deposit Insurance Corporation, Washington 25, D. C. (paper).

Background of Heads of Government Conference—1960—Principal Documents 155-195 with Narrative Summary—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., $1.25.

Bank Desposits and Legal Reserve Requirements — Frank E. Norton and Neil H. Jacoby—University of California, Graduate School of Business Administration, Los Angeles 24, Calif. (paper).

Bell Telephone Magazine, Spring 1960 — Containing articles on Progress and Problems in World Communication, Marketing Programs etc. — American Telephone & Telegraph Corp., 195 Broadway, New York 7, N. Y. (paper).

Commodity Survey 1959 — United Nations — Columbia University Press, 2960 Broadway, New York 27, N. Y. (paper) $2.50.

Common Stocks and Uncommon Profits — Philip Fisher — revised edition—Harper & Brothers, 51 East 33rd Street, New York 16, N. Y. (cloth) $3.95.

Communication in Business and Industry—William M. Schutte & Erwin R. Steinberg—Holt Rinehart and Winston, Inc., 383 Madison Avenue, New York 17, N. Y. (cloth), $4.75.

Corporate Records Retention — Vol. 3: A guide to Requirements of State Governments of the U. S. — Controllers Institute Research Foundation, Inc., 2 Park Avenue, New York 16, N. Y. $20.00.

Electric Utility Industry Statistics in the United States, 1959—Edison Electric Institute, Statistical Department, 750 Third Avenue, New York 17, N. Y.

Employee Discipline — Lawrence Stessin—Bureau of National Affairs, Inc., 1231 Twenty - fourth Street, N. W., Washington 7, D. C., $7.85.

Epistemological Problems of Economics — Ludwig von Mises — D. Van Nostrand Company, 120 Alexander Street, Princeton, N. J. (cloth) $5.50.

European Free Trade Association — Study — Bank of America, 300 Montgomery St., San Francisco 20, Calif.

Federal Home Loan Bank Board annual report for 1959 — Federal Home Loan Bank System, Washington, D. C. (paper).

Fibre Box Industry Statistics — Fibre Box Association, 224 South Michigan Avenue, Chicago 4, Ill. (paper).

Finances of Employee-Retirement Systems of State and Local Governments in 1959—Bureau of the Census, Washington 25, D. C. (paper), 25¢.

Future of Pleasure Boating — Boating Associates, P. O. Box 426, Cambridge 39, Mass., $15.

Freeman, May 1960 — containing articles on Socialism through the Back Door; Fallacy of Minimum Wage; ABC's of Economics; etc.—Foundation for Economic Education, Inc., Irvington-on-Hudson, N. Y., 50¢.

From Mine to Market: History of Coal Transportation on the Norfolk and Western Railway — Joseph T. Lambie — New York University Press, Washington Square, New York 3, N. Y. (cloth).

Mutual Savings Banking—Annual Report, May 1960—National Association of Mutual Savings Banks, 60 East 42nd Street, New York 17, N. Y. (paper).

Future of Latin American Exports to the United States: 1965 and 1970 — Louis Delwart — National Planning Association, 1606 New Hampshire Avenue, N. W., Washington 9, D. C. (paper), $2.00.

Gold and the Balance of Payments — First National Bank of Chicago, Chicago 90, Ill. (paper).

International Telephone Directory Inc.—Fifth annual edition — Published in four languages, and listing firms in 108 countries — International Telephone Directory Inc., 500 Fifth Ave. (c/o Corporate Public Relations, Inc.), New York 36, N. Y., $20.

Investment Management — The services of a trust company—Fiduciary Trust Co., 1 Wall St., New York 5, N. Y. (cloth), on request.

Investment Trusts and Funds from the Investor's Point of View—C. Russell Doane and Edward J. Hills—American Institute for Economic Research, Great Barrington, Mass. (paper), $1.00.

Investments — David F. Jordan and Herbert E. Dougall—7th Edition—Prentice-Hall, Inc., 70 Fifth Avenue, New York 11, N. Y. (cloth) $10.60.

Journal of Law & Economics — Vol. I containing articles on **British Monopoly Policy 1944-56;** Price Discrimination in Medicine; U. S. Taxaton of Foreign Income; Managing Public Debt; Government and Agriculture; Predatory Price Cutting; City Planning; Vol. II containing articles on Federal Communications Commission; Water Law and Private Decision-making; British Restrictive Trade Practices Act of 1956; Do Unions Cause Inflation?; Capitalist Ethics — Tough or Soft?; Sumptuary Manifesto; Positive Economics, Welfare Economics, and Political Economy; Structure and Growth of Soviet Industry; Supreme Court and the Decline of State Power—University of Chicago Law School, Chicago 37, Ill., $2.50 per volume.

Mutual Security Program—Report to Congress for the first half of Fiscal Year 1960—Department of State Publication 6950 — U. S. Government Printing Office, Washington 25, D. C. (paper).

Need FLR and Implications of Universal Disarmament—James P. Warburg—Current Affairs Press, 34 East 70th Street, New York 21, N. Y. (paper), 25¢.

Poverty and Degradation: The Ultimate Challenge to Western Civilization — James P. Warburg — Current Affairs Press, 34 East 70th Street, New York 21, N. Y. (paper), 25¢.

Private Investment and the Industrialization of Puerto Rico — Reprinted from "Monthly Review"—Federal Reserve Bank of New York, New York, N. Y. (paper).

Puerto Rico: A Thriving Field for Investment—Government Development Bank for Puerto Rico, San Juan, Puerto Rico (paper).

TVA and Its Revenue Bond Financing—Basic Data—Director of Information Tennessee Valley Authority, Knoxville, Tenn. (paper).

Railroad Operations in 1959—Review — Association of American Railroads, Transportation Building, Washington 6, D. C. (paper).

Savings at Work — 1959 — Annual Report—Savings Banks Association of the State of New York, 110 East 42nd Street, New York 17, N. Y. (paper).

State Government Finances in 1959—A compendium—U. S. Department of Commerce, Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 40 cents.

State Pension Funds — Digest of Authorized Investments and Actual Investments — Investment Bankers Association of America, 425 Thirteenth St., N. W., Washington 4, D. C. (paper), $1.50.

Statistics on the Savings Market, 1960 Edition—Savings and Mortgage Division, American Bankers Association, 12 East 36th Street, New York, N. Y.

Telling Your Corporate Story—To shareowners, to employees, to the public, and to the financial community—an editorial guide for listed companies — New York Stock Exchange, 11 Wall Street, New York 5, N. Y. (paper).

Tensions in Europe and the Far East: The Need for New Policies Toward Germany and China — James P. Warburg—Current Affairs Press, 34 East 70th Street, New York 21, N. Y. (paper), 25¢.

Value Added by Industrial Distributors and their Productivity—Robert D. Buzzell — The Ohio State University, Bureau of Business Research, Columbus 10, Ohio.

Voluntary Health Insurance in the United States—Rita R. Campbell and W. Glenn Campbell—American Enterprise Association, 1012 Fourteenth St., Washington 5, D. C. (paper), $1 (quantity prices on request).

Wage Price Problem — John Maurice Clark — The American Bankers Association, 12 East 36th Street, New York, N. Y. (cloth).

Wall Street 20th Century—Sponsored by the Yale Daily News and the Investment Association of New York—A report on the financial community and its keystone role in the life of America and of the world with feature articles on the technical operations of the country's money market-places — Yale Daily News, 202 York Street, New Haven, Conn.

Kirkpatrick V.-P. Of Puritan Fund

BOSTON, Mass. — Richard D. Kirkpatrick has been appointed a Vice-President of the Boston-based Puritan Fund, it has been announced by the Fund's President, Edward C. Johnson, 2nd. Mr. Kirkpatrick was formerly a Puritan Fund Assistant Vice-President, and associated with the Fund's adviser, Fidelity Management & Research Company.

R. D. Kirkpatrick

Thomas Uhlarik Forms First Public Bond Co.

(Special to THE FINANCIAL CHRONICLE)

SKOKIE, Ill.—Thomas S. Uhlarik is engaging in a securities business from offices at 8515 Kedvale Avenue under the firm name of First Public Bond Company. He was formerly an officer of C. F. Childs & Company.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Ohio Edison Company

Ohio Edison, one of the old Commonwealth & Southern subsidiaries, supplies electricity to a population of about 1,830,000 in 594 Ohio communities and rural areas, and sells at wholesale to 20 municipalities, seven rural co-operatives and two other electric companies. It also supplies steam heat in business sections of Akron, Springfield and Youngstown. Important cities served include Akron, Springfield, Youngstown, Lorain, Warren, Mansfield, Marion and Massillon. The subsidiary, Pennsylvania Power, supplies electricity to a population of 275,000 in an adjoining area in Western Pennsylvania, including New Castle, Sharon and Farrell. System revenues approximate $151 million a year, compared with $77 million in 1949.

While much of the area is highly industrialized, outlying areas are devoted to farming; principal manufactured items are iron and steel, machinery, metal products, chemicals, rubber products, automobiles and parts, ceramics and foodstuffs. The company's revenues are about 40% residential and rural, 23% commercial, 32% industrial and 5% miscellaneous. Average residential usage is 3,798 kwh, well above the U. S. average.

System generating capacity approximates 2,024,000 kw compared with last year's peak load of 1,-676,000. The largest single construction program is the new Stratton Power Plant. On August 3, 1959, the company placed in operation the first of four 170,000-kilowatt generating units at this plant. The second unit is scheduled for operation in the summer of 1960, with the third and fourth units following at intervals of a year. In the past decade the system has expended $483 mililon for expansion and improvement, including $56 million in 1959; for 1960 $59 million is budgeted.

In 1959 the company was favored by developments in its area, including completion of the St. Lawrence Seaway. The area's first superhighways, the Ohio and Pennsylvania Turnpikes, are to be substantially supplemented by other through highways, which are being built as part of the Federal Interstate and Defense Highway System; sections of the Ohio North-South Freeway were opened in 1959. Sections of the Keystone Shortway, a proposed East-West Highway across Pennsylvania, are under construction, and final engineering plans have been prepared for two sections of a North-South Highway, to be known as the Erie-Pittsburgh-West Virginia Highway.

Revenues increased nearly 10% last year as the result of the business recovery from the 1957-58 recession. All major classes of customers—residential (including farms), commercial and industrial—showed substantial gains in kwh use. Reflecting the sharp rebound in activity after the steel strike, a new system peakload of 1,676,-000 kw occurred on December 21, compared with 1,508,000 kw late in 1958.

Expenses for 1959 increased only 7.7%, the rise in costs being somewhat cushioned by the lower over-all price per ton for coal, principally as the result of the new Stratton Power Plant with its large new units. As a result share earnings on the old stock increased to $3.96 vs. $3.60 in 1958.

Ohio utilities are considered fortunate in that Ohio is the only state in the union where state law specifies that the rate base must be cost of reproduction less depreciation. Actually, however, rates in Ohio must first be negotiated with the municipalities served, subject to appeal to the Ohio State Commission and later, if necessary, to the courts. In earlier years this cycle of appeals sometimes lasted several years. In general, however, regulation is considered reasonable in the state at present.

According to data prepared by Standard & Poor's, Ohio Edison's earnings on net property account declined from 7.9% in 1950 to 5.8% in 1958. As a result share earnings increased only 9 cents in the next four years, from $2.93 to $3.02. By 1956 they had advanced to $3.79 and after a dip in 1957-58, reached $3.96 last year. With a fair rate of return based on a fair value rate base the record would naturally have been more impressive.

The company has therefore been seeking a rate relief, and last year obtained about $2.5 million in increased rates of which $1.5 million will accrue this year. Increases were secured in 52 municipalities. The company also filed with the State Commission increased rates covering unincorporated areas and small communities, where rates are not fixed by ordinance. Increased revenues from these rates would approximate $2.5 million if granted by the Commission. Moreover, the subsidiary, Pennsylvania Power Co., asked the Pennsylvania Commission for about $1.4 million increases; however, the Commission recently allowed only about one-third of the requested amount, representing a return of 5.9% on fair value plant of $70 million. The increase will approximate about 2 cents a share on the split shares.

Earnings this year should therefore show about 8 cents increase resulting from rate decisions plus whatever may accrue from the pending Ohio case if the Commission hands down a decision this year. Since last year was affected by the steel strike, some further gain should result from increased business activity.

At the recent price around 33 the stock is selling at 16.7 times last year's earnings, and based on the dividend rate of $1.48 it yields about 4½%.

Now Proprietorship

SALT LAKE CITY — Verne E. Groff is now sole proprietor of Rocky Mountain Securities, 3146 South 2850 East.

Securities Now in Registration

★ **INDICATES ADDITIONS SINCE PREVIOUS ISSUE**
● **ITEMS REVISED**

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

★ A. J. Industries Inc.
May 24 filed 210,000 shares of common stock. The shares will be exchanged for those of other companies to be acquired by the issuer. **Office**—Los Angeles, Calif. **Underwriter**—None.

● A. K. Electric Corp. (5/31-6/3)
May 4 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—231 Front St., Brooklyn, N. Y. **Underwriter**—Hilton Securities, Inc., 580 Fifth Ave., New York, N. Y.

● Aero Industries, Inc. (5/31-6/3)
March 11 filed 250,000 shares of common stock (par 25 cents). **Price** — $3.30 per share. **Proceeds** — For new equipment, expansion of the business, and general corporate purposes. **Office**—Pottstown, Pa. **Underwriter**—Myron A. Lomasney & Co. of New York City.

Airport Parking Co. of America (6/13-17)
April 27 filed 42,574 shares of class A common stock (no par), including 25,000 shares to be issued and sold by the company and 17,574 shares which are outstanding and will be offered by the holders thereof. **Price** — To be supplied by amendment. **Proceeds**—Principally for various leasehold improvements. **Office**—1308 Prospect Ave., Cleveland, Ohio. **Underwriters**—L. F. Rothschild & Co., New York, and Murch & Co., Inc., Cleveland, Ohio.

Alaska Empire Gold Mining Co.
April 12 (letter of notification) $300,000 of 6% income notes to be offered in multiples of $100 each. **Price**—At face value. **Proceeds**—For mining expenses. **Address**—Juneau, Alaska. **Underwriter** — Stauffer Investment Service, 1206 N. W. 46th Street, Oklahoma City, Okla.

★ Alaska-North America Investment Co.
May 19 filed 250,000 shares of common stock. **Price**—$6 per share. **Proceeds**—For investment. **Office**—1511 K St., N. W., Washington, D. C. **Underwriter**—None.

★ Alberta Municipal Financing Corp. (6/16)
May 19 filed $30,000,000 of sinking fund debentures, due June 15, 1985, and to be unconditionally guaranteed by the Province of Alberta. **Price** — To be supplied by amendment. **Proceeds**—To be applied, after conversion into Canadian funds, to the reduction of short-term bank loans amounting to approximately $1,700,000 incurred to provide working capital and to the purchase of securities of municipalities, cities, towns and villages within Alberta, Canada, as loan applications are appproved. **Underwriters**—The First Boston Corp. and Wood, Gundy & Co., Inc., both of New York.

● Ald, Inc. (6/6-10)
April 28 filed 335,880 shares of common stock (par $1), of which 210,880 shares are outstanding and will be offered for the account of the holders thereof and 125,000 will be issued and sold by the company. **Price**—To be supplied by amendment. **Proceeds**—For additional working capital. **Office**—7045 North Western Ave., Chicago, Ill. **Underwriter**—Dean Witter & Co., Chicago and New York.

All-State Properties, Inc.
March 17 filed 830,133 shares of capital stock, being offered for subscription by holders of outstanding shares of such stock on the basis of one share for each two shares held of record May 12, with rights to expire on May 31 at 3:30 p.m. EDT. **Price**—$4.25 per share. **Proceeds**—To reduce current indebtedness and for future operations. **Office**—Floral Park, L. I., N. Y. **Underwriters**—Bear, Stearns & Co. and Allen & Co., both of New York City.

Allied Bowling Centers, Inc.
Dec. 29 filed $750,000 of sinking fund debentures and 300,000 shares of capital stock, to be offered in units of $75 principal amount of debentures and 30 shares of stock. **Price**—$108 per unit. **Proceeds**—For general corporate purposes. **Office**—Arlington, Texas. **Underwriter**

Continued on page 32

NEW ISSUE CALENDAR

May 27 (Friday)

Chemical Packaging Co., Inc. ---------- **Common**
(Mainland Securities Corp. and Jeffrey-Robert Corp.) $287,500

Howe Plastics & Chemical Companies, Inc. --- **Com.**
(Hilton Securities, Inc.) $180,000

Illinois Bell Telephone Co. ---------- **Common**
(Offering to stockholders—no underwriting) $60,955,160

North Central Co. ---------- **Common**
(No underwriting) 420,945 shares

Telectro Industries Corp. ---------- **Debentures**
(Milton D. Blauner & Co., Inc.) $1,000,000

May 31 (Tuesday)

A. K. Electric Corp. ---------- **Common**
(Hilton Securities, Inc.) $300,000

Aero Industries, Inc. ---------- **Common**
(Myron A. Lomasney & Co.) $825,000

American Frontier Life Insurance Co. ---------- **Capital**
(Union Securities Investment Co.) $1,600,000

American International Aluminum Corp. -- **Common**
(Hardy & Co. and Filor, Bullard & Smyth) 400,000 shares

American Penn Life Insurance Co. ---------- **Capital**
(Offering to stockholders—no underwriting) $3,570,000

American Stereophonic Corp. ---------- **Common**
(D. H. Victor & Co., Inc.) $100,000

Big Laurel, Inc. ---------- **Common**
(Pearson, Murphy & Co., Inc. and Mackay & Co.) 400,000 shares

Big Laurel, Inc. ---------- **Preferred**
(Pearson, Murphy & Co., Inc. and Mackay & Co.) 400,000 shares

Brush Beryllium Co. ---------- **Common**
(Kuhn, Loeb & Co. and McDonald & Co.) 410,206 shares

Cabana Pools, Inc. ---------- **Common**
(Mandell & Kahn, Inc.) $300,000

Continental Capital Corp. ---------- **Capital**
(McDonnell & Co.) $3,290,000

Crawford Corp. ---------- **Common**
(A. G. Becker & Co., Inc.) 200,000 shares

Dalto Corp. ---------- **Common**
(No underwriting) 134,739 shares

Doak Pharmacal Co., Inc. ---------- **Common**
(Ross Securities, Inc.) $300,000

Dubois Chemicals, Inc. ---------- **Common**
(Allen & Co.) 200,000 shares

Dynamic Films, Inc. ---------- **Common**
(Morris Cohon & Co.) $300,000

Dynatron Electronics Corp. ---------- **Common**
(General Securities Co., Inc.) $100,000

Englehard Industries, Inc. ---------- **Common**
(Dillon, Read & Co., Inc. and Lazard Freres & Co.) 400,000 shares

Ets-Hokin & Galvan, Inc. ---------- **Common**
(Van Alstyne, Noel & Co.) $1,325,000

FXR, Inc. ---------- **Debentures**
(C. E. Unterberg, Towbin Co.) $2,000,000

Farrington Manufacturing Co. ---------- **Debentures**
(Cyrus J. Lawrence & Sons and Brawley, Cathers & Co.) $6,000,000

Federated Electronics, Inc. ---------- **Common**
(J. B. Coburn Associates, Inc.) $300,000

Florida Builders, Inc. ---------- **Common**
(Jaffee & Co.) 80,000 shares

Florida Power & Light Co. ---------- **Common**
(Bids 3:45 p.m. EDT) 400,000 shares

Forest City Enterprises, Inc. ---------- **Common**
(Bache & Co.) 450,000 shares

Friendly Frost Inc. ---------- **Common**
(No underwriting) $1,125,000

Gem International, Inc. ---------- **Common**
(Bosworth, Sullivan & Co., Inc. and Scherck, Richter Co.) 150,000 shares

General Atronics Corp. ---------- **Common**
(Harrison & Co.) $544,810

Growth Capital, Inc. ---------- **Common**
(McDonald & Co. and Paine, Webber, Jackson & Curtis) $10,000,000

Hampshire Gardens Associates ---------- **Units**
(B. C. Morton & Co., Inc.) $376,000

Hawley Products Co. ---------- **Common**
(Dean Witter & Co.) 90,000 shares

Henderson's Portion Pak, Inc. ---------- **Common**
(Burnham & Co.) 200,000 shares

Kenrich Petrochemicals, Inc. ---------- **Common**
(First Philadelphia Corp.) $192,500

Kenrich Petrochemicals, Inc. ---------- **Debentures**
(First Philadelphia Corp.) $175,000

Lite-Vent Industries, Inc. ---------- **Common**
(Peter Morgan & Co.) $520,000

Litecraft Industries, Ltd. ---------- **Debentures**
(P. W. Brooks & Co.) $750,000

Magnin (Joseph) Co., Inc. ---------- **Debentures**
(F. S. Smithers & Co.) $1,250,000

Magnin (Joseph) Co., Inc. ---------- **Common**
(F. S. Smithers & Co.) 78,000 shares

Maryland Credit Finance Corp. ---------- **Common**
(Alex Brown & Sons) 28,250 shares

McGowen Glass Fibers Corp. ---------- **Common**
(Simmons, Rubin & Co., Inc.) $300,000

Medallion Pictures Corp. ---------- **Debentures**
(Hancock Securities Corp.) $300,000

OK Rubber Welders, Inc. ---------- **Common**
(Bosworth, Sullivan & Co., Inc.) 50,000 shares

Ott Chemical Co. ---------- **Debentures**
(Offering to stockholders—underwritten by H. M. Byllesby & Co., Inc.) $450,000

Pacific Coast Properties, Inc. ---------- **Common**
(Bear, Stearns & Co.) 2,682,801 shares

Pan American Envelope Co., Inc. ---------- **Common**
(Merritt, Vickers, Inc.) $300,000

Patrick County Canning Co., Inc. ---------- **Common**
(G. Everett Parks & Co., Inc.) $420,000

Pioneer Metals, Inc. ---------- **Common**
(Hancock Securities Corp.) $300,000

Reliance Manufacturing Co. ---------- **Common**
(Glore, Forgan & Co.) 150,000 shares

Republic Graphics Inc. ---------- **Common**
(Arrin & Co., Inc.; T. M. Kirsch & Co. and Robert A. Martin Associates, Inc.) $300,000

Sierra Electric Corp. ---------- **Common**
(Marron, Sloss & Co., Inc.) $900,000

Sire Plan of Normandy Isle, Inc. ---------- **Debentures**
(Sire Plan Portfolios, Inc.) $225,000

Sire Plan of Normandy Isle, Inc. ---------- **Preferred**
(Sire Plan Portfolios, Inc.) 4,500 shares

Swimming Pool Development Co., Inc. --- **Common**
(Marron, Sloss & Co., Inc.) $1,250,000

Telecomputing Corp. ---------- **Common**
(Dean Witter & Co.) 100,000 shares

Teleregister Corp. ---------- **Debentures**
(Ladenburg, Thalmann & Co., Bear, Stearns & Co. and Sutro Bros.) $6,000,000

Teleregister Corp. ---------- **Common**
(Ladenburg, Thalmann & Co., Bear, Stearns & Co. and Sutro Bros.) 240,000 shares

Thermal Industries of Florida, Inc. ---------- **Common**
(Peter Morgan & Co.) $720,000

United Financial Corp. of California --- **Debentures**
(Lehman Brothers) $6,000,000

United Financial Corp. of California ---------- **Capital**
(Lehman Brothers) 120,000 shares

Uranium Reduction Co. ---------- **Common**
(A. C. Allyn & Co., Inc.) 200,000 shares

Vector Manufacturing Co., Inc. ---------- **Common**
(Paine, Webber, Jackson & Curtis) 250,000 shares

Viewlex, Inc. ---------- **Class A**
(Stanley Heller & Co.) $800,000

Wallace Properties, Inc. ---------- **Common**
(Harriman Ripley & Co., Inc.) 360,000 shares

Wallace Properties, Inc. ---------- **Debentures**
(Harriman Ripley & Co., Inc.) $12,000,000

Waltham Precision Instrument Co., Inc. -- **Common**
(Offering to stockholders—underwritten by Schweickart & Co.) 700,000 shares

June 1 (Wednesday)

Dymo Industries, Inc. ---------- **Capital**
(William R. Staats & Co.) 150,000 shares

Food Fair Stores, Inc. ---------- **Common**
(Eastman Dillon, Union Securities & Co. and A. M. Kidder & Co.) 168,833 shares

General Shale Products Corp. ---------- **Common**
(Equitable Securities Corp.) 220,605 shares

Michigan Wisconsin Pipe Line Co. ---------- **Bonds**
(Bids 11 a. m. EDT) $30,000,000

Southwest Indemnity & Life Insurance Co. --- **Com.**
(Offering to stockholders—no underwriting) 238,590 shares

June 2 (Thursday)

National Cash Register Co. ---------- **Debentures**
(Dillon, Read & Co., Inc.) $40,000,000

Southern Electric Generating Co. ---------- **Bonds**
(Bids to be invited) $40,000,000

Southwest Forest Industries, Inc. ---------- **Common**
(White, Weld & Co.) 420,000 shares

Southwest Forest Industries, Inc. ---------- **Debentures**
(White, Weld & Co.) $12,000,000

June 6 (Monday)

Ald, Inc. ---------- **Common**
(Dean Witter & Co.) 335,880 shares

Alside, Inc. ---------- **Common**
(Reynolds & Co., Inc.) 300,000 shares

Bevis Shell Homes, Inc. ---------- **Debentures**
(G. H. Walker & Co. and Bell & Hough, Inc.) $1,600,000

Bevis Shell Homes,, Inc. ---------- **Common**
(G. H. Walker & Co. and Bell & Hough, Inc.) 1,000,000 shares

Bowers Battery & Spark Plug Co. ---------- **Common**
(Dempsey-Tegeler & Co.) $1,500,000

Bruce National Enterprises, Inc. ---------- **Common**
(George, O'Neill & Co., Inc.) $2,010,000

Certified Credit & Thrift Corp. ---------- **Stock**
(Commonwealth Securities Corp.) $5,050,000

Chemo-Vive Processes, Inc. ---------- **Common**
(General Investing Corp.) $150,000

Chemtree Corp. ---------- **Common**
(Havener Securities Corp.) $262,750

Drug Associates, Inc. ---------- **Common**
(Fidelity Securities & Investment Co., Inc.) 10,000 shares

Drug Associates, Inc. ---------- **Bonds**
(Fidelity Securities & Investment Co., Inc.) $100,000

Elco Corp. ---------- **Common**
(S. D. Fuller & Co.) 87,809 shares

Elco Corp. ---------- **Warrants**
(S. D. Fuller & Co.) 82,065

Elco Corp. ---------- **Debentures**
(S. D. Fuller & Co.) $1,000,000

Esquire Radio & Electronics, Inc. ---------- **Common**
(Myron A. Lomasney & Co.) $750,000

Federal Steel Corp. ---------- **Common**
(Westheimer & Co.) $295,000

Figurette, Ltd. ---------- **Common**
(Myron A. Lomasney & Co.) $600,000

First National Realty & Construction Corp. --- **Pfd.**
(H. Hentz & Co.) 150,000 shares

First National Realty & Construction Corp.__Com.
(H. Hentz & Co.) 150,000 shares

First National Realty & Construction Corp.__War.
(H. Hentz & Co.) 150,000

Goelet Corp. ____Debentures
(Ross, Lyon & Co., Inc. and Globus, Inc.) $700,000

Goelet Corp. ____Common
(Ross, Lyon & Co., Inc. and Globus, Inc.) 70,000 shares

Goelet Corp. ____Warrants
(Ross, Lyon & Co., Inc. and Globus, Inc.) 35,000

Great American Realty Corp____Debentures
(Louis L. Rogers Co. and Hilton Securities, Inc.) $2,000,000

Great American Realty Corp____Class A
(No underwriting) 110,000 shares

Hudson Vitamin Products, Inc.____Common
(Bear, Stearns & Co.) 212,500 shares

Illinois Beef, L. & W. S., Inc.____Common
(Amos Treat & Co., Inc.) $2,600,000

Liberty Records, Inc.____Common
(Crowell, Weedon & Co.) $1,200,000

Mattel, Inc. ____Common
(Bache & Co.) 300,000 shares

National Lawnservice Corp____Common
(Fund Planning Inc.) $300,000

National Old Line Life Insurance Co.____Common
(Equitable Securities Corp.) 128,329 shares

Northwestern Bell Telephone Co.____Debentures
(Bids 11:30 a.m. EDT) $45,000,000

Pennsylvania Co. ____Bonds
(The First Boston Corp.; Glore, Forgan & Co. and Salomon Bros. & Hutzler) $35,000,000

Safticraft Corp. ____Common
(George, O'Neill & Co., Inc.) $825,000

Simmonds Precision Products, Inc.____Common
(Shearson, Hammill & Co.) 112,500 shares

Speed-Way Food Stores Inc.____Common
(J. J. Krieger & Co., Inc.) $300,000

United States Boat Corp.____Common
(Richard Bruce & Co., Inc.) $700,000

Yale Express System, Inc.____Class A
(Michael G. Kletz & Co., Inc.) $1,650,000

June 7 (Tuesday)

Chicago, Burlington & Quincy RR.
Equip. Trust Ctfs.
(Bids to be invited) $2,550,000

Midwestern Gas Transmission Co.____Bonds
(Stone & Webster Securities Corp.; White, Weld & Co. and Halsey, Stuart & Co., Inc.) $60,000,000

Midwestern Gas Transmission Co.____Warrants
(Stone & Webster Securities Corp.; White, Weld & Co. and Halsey, Stuart & Co., Inc.) 60,000 warrants

(A. G.) Spalding & Bros. Inc.____Common
(Offering to stockholders—no underwriting) $1,709,680

Washington Gas Light Co.____Bonds
(Bids 11:30 a.m. EDT) $12,000,000

June 8 (Wednesday)

Atlantic Coast Line RR____Equip. Trust Ctfs.
(Bids to be invited) $4,665,000

Coca-Cola Bottling Co. of New York, Inc.____Com.
(Eastman Dillon, Union Securities & Co.) 298,204 shares

Savannah Newspapers, Inc.____Common
(Johnson, Lane, Space Corp.) $2,520,000

June 9 (Thursday)

Baltimore Gas & Electric Co.____Bonds
(Bids 11 a.m. EDT) $25,000,000

National Packaging Corp____Common
(First Securities Corp.) $360,000

June 10 (Friday)

Foto-Video Electronics Corp.____Class B
(D. F. Bernheimer & Co., Inc.) $500,000

Vulcatron Corp____Common
(P. de Rensis & Co., Inc.) $300,000

June 13 (Monday)

Airport Parking Co.____Common
(L. F. Rothschild & Co. and Murch & Co., Inc.) 42,574 shares

Alterman Foods, Inc.____Common
(Kidder, Peabody & Co.) 230,000 shares

Compressed Concrete Construction Corp.____Common
(Capital Accumulation Corp.) $300,000

Deluxe Aluminum Products, Inc.____Common
(R. A. Holman & Co., Inc.) $350,000

Deluxe Aluminum Products, Inc.____Debentures
(R. A. Holman & Co., Inc.) $330,000

Development Credit Corp. of Maryland____Common
(No underwriting) $2,200,000

Edgerton, Germeshausen & Grier, Inc.____Common
(Kidder, Peabody & Co.) 120,000 shares

General Drive-In Corp.____Common
(Paine, Webber, Jackson & Curtis) 180,000 shares

Glass Magic Boats, Inc.____Common
(R. A. Holman & Co., Inc.) 68,000 shares

Glass Magic Boats, Inc.____Debentures
(R. A. Holman & Co., Inc.) $51,000

Obear-Nester Glass Co.____Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 210,045 shares

Oxford Manufacturing Co., Inc.____Common
(W. C. Langley & Co. and Courts & Co.) 240,000 shares

Midwest Technical Development Corp.____Common
(Offering to stockholders—underwritten by Shearson, Hammill & Co. and Piper, Jaffray & Hopwood) 561,500 shares

Pacific Panel Co.____Common
(Frank Karasik & Co., Inc.) $450,000

Reeves Broadcasting & Development Corp.____Com.
(Laird & Co. Corp.) $2,336,960

Security Industrial Loan Association____Debentures
(Lee Higginson Corp.) $500,000

Security Industrial Loan Association____Common
(Lee Higginson Corp.) 50,000 shares

Warren Industries, Inc.____Common
(Merritt, Vickers, Inc.) $525,000

Westmore, Inc. ____Common
(Jacey Securities Co.) $300,000

Whitmoyer Laboratories, Inc.____Common
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $510,000

Whitmoyer Laboratories, Inc.____Debentures
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $500,000

June 14 (Tuesday)

Consolidated Edison Co. of New York____Bonds
(Bids 11 a.m. EDT) $50,000,000

June 15 (Wednesday)

Garrett Corp.____Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 100,000 shares

Harnischfeger Corp.____Preferred
(The First Boston Corp.) 60,000 shares

Thurow Electronics, Inc.____Common
(Donald V. Stabell) $600,000

June 16 (Thursday)

Alberta Municipal Financing Corp.____Debentures
(The First Boston Corp. and Wood, Gundy & Co., Inc.) $30,000,000

Interstate Finance Corp.____Common
(Goldman, Sachs & Co.) 150,000 shares

Savannah Electric & Power Co.____Debentures
(Bids to be invited) $3,000,000

Savannah Electric & Power Co.____Bonds
(Bids to be invited) $5,000,000

June 20 (Monday)

American Rubber & Plastics Corp.____Common
(Hornblower & Weeks) 200,000 shares

Columbia Technical Corp.____Common
(Diran, Norman & Co., Inc.; Cortland Investing Corp. and V. S. Wickett & Co., Inc.) $300,000

Custom Craft Marine Co., Inc.____Common
(R. A. Holman & Co., Inc.) $255,000

E S C Electronics Corp.____Common
(Laird, Bissell & Meeds) $300,000

Fairmount Finance Corp.____Common
(J. T. Patterson & Co., Inc.) $290,000

Faultless Caster Corp.____Common
(Hayden, Stone & Co.) 250,000 shares

General Sales Corp.____Common
(B. Fennekohl & Co., Inc.) 90,000 shares

Harvey Aluminum, Inc.____Common
(Kuhn, Loeb & Co. and Tucker, Anthony & R. L. Day) 750,000 shares

Itemco, Inc.____Common
(Morris Cohon & Co. and Schrijver & Co.) $500,000

Laboratory For Electronics, Inc.____Common
(Offering to stockholders—underwritten by Paine, Webber, Jackson & Curtis) 100,000 shares

Martin-Parry Marine Corp.____Common
(Edward H. Stern & Co.) $300,000

Movielab Film Laboratories, Inc.____Common
(Granbery, Marache & Co.) 100,000 shares

Sea-Highways, Inc.____Common
(John R. Maher Associates) $300,000

Service Instrument Corp.____Common
(Pearson, Murphy & Co., Inc.) $300,000

Talcott (James), Inc.____Common
(F. Eberstadt & Co. and White, Weld & Co.) 150,000 shares

Talcott (James), Inc.____Notes
(F. Eberstadt & Co. and White, Weld & Co.) $20,000,000

June 24 (Friday)

Miles Laboratories, Inc.____Debentures
(Offering to stockholders—underwritten by The First Boston Corp) $8,300,000

June 27 (Monday)

Ameco Electronic Corp.____Common
(Palombi Securities Co.) $300,000

Arco Electronics, Inc.____Common
(Michael G. Kletz & Co., Inc.) 140,000 shares

Atlas Bowling Centers, Inc.____Common
(Keller & Co.) 100,000 shares

C. F. C. Funding Inc.____Common
(Darius, Inc.) $150,000

Electrada Corp.____Common
(Bache & Co.) 400,000 shares

Gulf States Utilities Co.____Bonds
(12 noon EDT) $17,000,000

Gulf-Tex Development, Inc.____Common
(Myron A. Lomasney & Co.) $1,250,000

Hotel Corp. of America____Debentures
(Bache & Co. and Bear, Stearns & Co.) $1,500,000

I C Inc.____Common
(Purvis & Co. and Amos C. Sudler & Co.) $1,500,000

Lamtex Industries, Inc.____Common
(Finkle, Seskis & Wohlstetter) $500,000

Lee Motor Products, Inc.____Common
(Godfrey, Hamilton, Magnus & Co., Inc.) $501,000

Montgomery Ward Credit Corp.____Debentures
(Lehman Brothers) $50,000,000

Namm-Loeser's Inc. ____Common
(Offering to stockholders—Underwritten by Ladenburg, Thalmann & Co.) 217,278 shares

Navigation Computer Corp.____Common
(Drexel & Co. and Townsend, Crouter & Bodine) 50,709 shares

Saucon Development Corp.____Common
(P. Michael & Co.) number of shares unknown

Stelma, Inc.____Common
(Amos Treat & Co., Inc.) 175,000 shares

Trans Tech Systems, Inc.____Common
(Myron A. Lomasney & Co.) $650,000

Triumph Storecrafters Corp.____Common
(Hardy & Hardy and First Southeastern Co.) 145,000 shares

Win-Chek Industries, Inc.____Class A
(Michael G. Kletz & Co.) $450,000

June 28 (Tuesday)

Bausch & Lomb Inc.____Debentures
(Offering to stockholders—underwritten by Stone & Webster Securities Corp.) $6,657,900

Tampa Electric Co.____Bonds
(Bids to be invited) $25,000,000

July 5 (Tuesday)

American Sterilizer Co.____Common
(Glore, Forgan & Co. and Fulton, Reid & Co., Inc.) 150,000 shs.

Futterman Corp. ____Class A
(Reynolds & Co.) 660,000 shares

July 6 (Wednesday)

Illinois Bell Telephone Co.____Bonds
(11:00 a. m. EDT) $50,000,000

Sierra Pacific Power Co.____Bonds
(Bids to be invited) $3,000,000

July 7 (Thursday)

Gulf Power Co.____Preferred
(Bids to be invited) $5,000,000

Gulf Power Co.____Bonds
(Bids to be invited) $5,000,000

July 8 (Friday)

New Britain Gas Light Co.____Common
(Offering to stockholders—underwritten by Putnam & Co.) 16,000 shares

July 11 (Monday)

Brockway Glass Co., Inc.____Common
(Lehman Brothers & Blyth & Co., Inc.) 162,000 shares

Laclede Gas Co.____Bonds
(Bids 11:00 a. m. DST) $10,000,000

Pearson Corp.____Common
(R. A. Holman & Co., Inc.) 50,000 shares

Rajac Self-Service, Inc.____Common
(Walter R. Blaha & Co., Inc.) $300,000

July 12 (Tuesday)

Central Illinois Electric & Gas Co.____Bonds
(Bids to be invited) $10,000,000

July 13 (Wednesday)

Northern Illinois Gas Co.____Bonds
(11:00 a. m. EDT) $25,000,000

July 14 (Thursday)

Laclede Gas Co.____Common
(Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith, Inc.; and Reinholdt & Gardner) $5,000,000

July 19 (Tuesday)

New Jersey Power & Light Co.____Bonds
(11:00 a.m. EDT) $5,000,000

July 26 (Tuesday)

Consumers Power Co.____Debentures
(Bids to be invited) $38,101,600

Southern Counties Gas Co.____Bonds
(Bids to be invited)

August 9 (Tuesday)

Southwestern Bell Telephone Co.____Debentures
(Bids to be invited) $100,000,000

August 23 (Tuesday)

Michigan Bell Telephone Co.____Debentures
(Bids to be invited) $35,000,000

September 13 (Tuesday)

Virginia Electric & Power Co.____Bonds
(Bids to be invited) $25,000,000

September 20 (Tuesday)

Public Service Electric & Gas Co.____Bonds
(Bids to be invited) $50,000,000

September 27 (Tuesday)

Indianapolis Power & Light Co.____Bonds
(11:00 a. m. N. Y. Time) $12,000,000

October 18 (Tuesday)

Louisville Gas & Electric Co.____Bonds
(Bids to be invited) $16,000,000

November 3 (Thursday)

Georgia Power Co.____Bonds
(Bids to be invited) $12,000,000

December 6 (Tuesday)

Northern States Power Co. (Minn.)____Bonds
(Bids to be invited) $35,000,000

Continued from page 30

—Rauscher, Pierce & Co., Inc., Dallas. **Note** — This offering has been postponed.

● Alside, Inc. (6/6-10)
April 28 filed 300,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—Together with an additional sum of $6,000,000 to be borrowed for institutional lenders, will be used to provide consumer financing for the company's products by purchasing consumer paper from the company's distributors and dealers. **Office**—1415 Waterloo Road, Akron, Ohio. **Underwriter**—Reynolds & Co., Inc., New York.

Alterman Foods, Inc. (6/13-20)
March 18 filed 230,000 shares of common stock (par $2.50), of which 168,310 are to be offered by Bankers Securities Corp. and 61,690 on behalf of the company. **Price**—To be supplied by amendment. **Proceeds**—To repay indebtedness, for working capital and other corporate purposes. **Office**—933 Lee St., S. W., Atlanta, Ga. **Underwriter**—Kidder, Peabody & Co. **Note**—The name has been changed from Alterman-Big Apple, Inc.

★ Ameco Electronic Corp. (6/27- 7/1)
May 19 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — 37 E. 18th Street, New York, N. Y. **Underwriter**—Palombi Securities Co., New York, N. Y.

● American Bowla-Bowla Corp.
April 15 filed 100,000 shares of common stock and warrants for the purchase of an additional 50,000 shares. The company proposes to offer these securities for public sale in units consisting of two shares of stock (par 25 cents) and one warrant. **Price**—$6.25 per unit. **Proceeds**—To cover an initial installment on the purchase price of two additional bowling centers; for furniture and fixtures thereon; and the balance to be added to working capital and be available for general corporate purposes. **Office**—400 38th St., Union City, N. J. **Underwriter**—Hill, Thompson & Co., Inc., New York.

American Capital Life Insurance Co.
April 15 filed 96,450 shares of class "A" common capital stock. **Price**—$5.80 per share **Proceeds**—For general corporate purposes. **Office**—917 15th St., N. W., Washington, D. C. **Underwriter**—None.

American Convalescent Foundation, Inc.
March 31 (letter of notification) 60,000 shares of common stock. **Price**—At par ($5 per share). **Proceeds**—To pay the balance on new land, retirement of short-term bank loans, payment for additional equipment and furnishings and for working capital. **Office**—3267 Southeast Hawthorne Boulevard, Portland, Ore. **Underwriter**—Jerry A. Barfoot, Portland, Ore.

American Frontier Life Insurance Co. (5/31-6/3)
Nov. 30 filed 200,000 shares of capital stock. **Price**—$8 per share. **Proceeds** — To increase capital and surplus. **Office**—1455 Union Ave., Memphis, Tenn. **Underwriter**—Union Securities Investment Co., also of Memphis, which will receive a selling commission of $1.20 per share.

American International Aluminum Corp. (5/31-6/3)
April 13 filed 400,000 shares of common stock (par 25c). **Price** — To be supplied by amendment. **Proceeds** — For general corporate purposes and working capital. **Office**—4851 N. W. 36th Ave., Miami, Fla. **Underwriters**—Hardy & Co. and Filor, Bullard & Smyth, both of New York.

American Mortgage Investment Corp.
April 29 filed $1,800,000 of 4% 20-year collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

● American Penn Life Insurance Co. (5/31-6/3)
March 30 filed registration of 127,500 shares of capital stock (par $10) to be offered for subscription by stockholders of record on April 28, 1960 with rights to expire 30 days from offering date. Subscription rate on 105,000 shares of the stock will be three additional shares for each one share held. Of the remaining 22,500 shares the offering will be on the basis of nine shares for each 14 shares held, and all unsold shares of this block will be offered under warrants granted in accordance with the company's Agent's Stock Option Plan. **Price**—$28 per share. **Proceeds** — To increase capital and surplus. **Office**—203 S. 15th St., Philadelphia, Pa. **Underwriter**—None.

American Rubber & Plastics Corp. (6/20-24)
May 11 filed 200,000 shares of common stock. **Price** — To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — La Porte, Ind. **Underwriter** — Hornblower & Weeks, New York City.

American & St. Lawrence Seaway Land Co.
Jan. 27 filed 538,000 shares of common stock, of which 350,000 shares are to be publicly offered. **Price**—$3 per share. **Proceeds**—To pay off mortgages, develop and improve properties, and acquire additional real estate. **Office**—60 E. 42nd St., New York City. **Underwriter**—A. J. Gabriel Co., Inc., New York City.

● American Security Corp.
March 28 filed 100,000 shares of capital stock (par $2). The company is an affiliate of American Security & Trust Co. by reason of the fact that each of their stockholders owns the same number of outstanding shares of each entity. It is proposed to offer the 100,000 shares of American Security stock and a like number of shares of the $10 par capital stock of the Trust Company in units of one share of stock of each issuer; and the units are being offered for subscription by stockholders of each issuer of record May 25 at the rate of one new share for each five shares held with rights to expire on June 14 at 3:30 p.m. EDT. **Price** — $55 per unit. **Proceeds** — American Security will use its proceeds in part to repay current indebtedness incurred incident to the purchase of the non-banking assets of The City Bank of Washington, with the balance added to working capital for general corporate purposes. **Office**—734 15th Street, N. W., Washington, D. C. **Underwriters**—Alex Brown & Sons, Baltimore, Md.; Folger, Nolan, Fleming-W. B. Hibbs & Co., Inc. and Johnston Lemon & Co., Washington, D. C.; and Kidder, Peabody & Co., New York.

● American Stereophonic Corp. (5/31-6/3)
April 11 (letter of notification) 50,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—17 W. 60th St., New York, N. Y. **Underwriter**—D. H. Victor & Co., Inc., New York, N. Y.

★ American Sterilizer Co. (7/5-8)
May 20 filed 150,000 shares of common stock (par $3.33⅓). **Price**—To be supplied by amendment. **Proceeds**—Of the net proceeds from the sale, approximately $600,000 will be available to AMSCO Laboratories, Inc., a wholly-owned subsidiary, as an additional advance for the completion of a new manufacturing plant. The balance will be used to reduce short-term bank borrowings and for additional working capital. **Underwriters**—Glore, Forgan & Co., New York and Fulton, Reid & Co., Inc., Cleveland, Ohio.

● Anken Chemical & Film Corp.
April 7 filed 146,555 shares of common stock (par 20 cents) being offered for subscription by holders of outstanding common stock of record May 20 at the rate of one new share for each six shares held, with rights to expire on June 6 at 3:30 p.m. (EDT). **Price**—$30 per share. **Proceeds**—$1,950,000 will be applied toward the purchase of certain properties and assets of the Sperry Rand Corp.; $140,000 will be used to retire short-term bank loans; and the balance for general corporate purposes. **Office**—1 Hicks Ave., Newton, N. J. **Underwriters**—R. W. Pressprich & Co. and Riter & Co., both of New York.

★ Apollo Industries, Inc.
May 23 filed 78,300 outstanding shares of common stock, to be offered for sale by the present holders thereof over the American or Pittsburgh Stock Exchanges at current market price prevailing at the time of sale. **Proceeds**—To selling stockholders. **Office**—14 Wood Street, Pittsburgh, Pa. **Underwriter**—None.

● Arco Electronics, Inc. (6/27-7/1)
May 10 filed 140,000 shares of class A common stock. **Price** — To be supplied by amendment. **Proceeds** — $350,000 for general corporate purposes and the balance for working capital. **Office**—New York City. **Underwriter**—Michael G. Kletz & Co., Inc., New York City.

Arden Farms Co.
May 13 filed $4,000,000 of 6% subordinate debentures, series due July 1, 1990 (convertible), 44,278 shares of preferred stock, and 149,511 shares of common stock. The debentures are to be offered for public sale at 100% of their principal amount. The company proposes to offer the preferred shares and common shares initially through subscription warrants. The holders of outstanding preferred stock will be entitled to purchase the new preferred at the rate of one new share for each ten shares held. Common stockholders will be entitled to purchase the additional common shares at the rate of one new share for each ten shares held. The record date is to be the effective date of the registration statements. **Office**—1900 West Slauson Ave., Los Angeles, Calif.

● Arizona Public Service Co.
April 22 filed 333,400 shares of common stock (par $5), being offered to holders of the company's currently outstanding common stock at the rate of one new share for each 10 shares held of record May 24, 1960 with rights to expire on June 14 at 3:30 p.m. (EDST). **Price**—$36.50 per share. **Proceeds**—For construction purposes and payment of loans incurred for such purposes. **Office**—501 South 3rd Avenue, Phoenix, Ariz. **Underwriters** — The First Boston Corp. and Blyth & Co., Inc., both of New York.

Arkansas Western Gas Co. (6/6-10)
May 13 filed 50,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—Together with $1,500,000 to be received from a contemplated private placement of debentures, will be used to retire some $1,000,000 of term bank notes and to defray all or a portion of the cost of the company's anticipated 1960 program of property additions and improvements. **Office** — 28 East Center St., Fayetteville, Ark. **Underwriters**—Snow, Sweeney & Co. Incorporated, New York, and A. C. Allyn & Co., Inc., Chicago, Ill.

★ Arnoux Corp.
May 23 filed 133,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes and working capital. **Office**—11924 W. Washington Blvd., Los Angeles, Calif. **Underwriter**—Shearson, Hammill & Co., New York. **Offering** — Expected sometime in August.

★ Astrotherm Corp.
May 24 filed $308,000 of 8% subordinated convertible debentures, due July 1970, 154,000 shares of common stock, and 46,200 common stock purchase warrants. The company proposes to offer these securities in units, each unit to consist of $100 of principal amount of debentures, 50 common shares, and 15 warrants exercisable initially at $2 per share. **Price**—$200 per unit. **Proceeds**—To repay loans, purchase new equipment and the balance for working capital. **Office**—Indianapolis, Ind. **Underwriters**—Ross, Lyon & Co., Inc. and Globus, Inc. both of New York City.

Atlas Bowling Centers, Inc. (6/27)
May 2 filed 100,000 shares of class A common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds** — For additional working capital. **Office** — 255 Huntington Avenue, Boston, Mass. **Underwriter**—Keller & Co., Boston, Mass.

● Aviation Employees Corp.
Feb. 8 filed 2,500,000 shares of common stock. **Price**—$2 per share. **Proceeds**—Together with other funds, will be invested in the shares of the company's three subsidiaries; for general corporate purposes; and the remaining balance will be used from time to time for the purchase of all or a substantial interest in or the formation of one or more other companies engaged in the business of insurance or finance or to further supplement the funds of the three subsidiaries. **Office**—930 Tower Bldg., Washington, D. C. **Underwriters**—G. J. Mitchell Jr. Co., Washington, D. C.; and Ralph B. Leonard & Sons, Inc., of New York City.

★ Baltimore Gas & Electric Co. (6/9)
May 23 filed $25,000,000 of first refunding mortgage sinking fund bonds, series due 1980. **Proceeds**—For general corporate purposes, including proposed construction expenditures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and The First Boston Corp. (jointly); Kuhn, Loeb & Co.; Harriman Ripley & Co. Incorporated and Alex Brown & Sons (jointly). **Bids**—Expected to be received on June 9 up to 11:00 a.m. EDT.

★ Bausch & Lomb Inc. (6/28-7/13)
May 19 filed $6,657,900 of convertible subordinated debentures due 1980. It is proposed that these debentures will be offered for subscription by common stockholders at the rate of $100 principal amount of debentures for each 13 common shares held. **Price**—To be supplied by amendment. **Proceeds**—About $5,000,000 will be used to construct new facilities in Rochester and the balance will be used for working capital and other corporate purposes. **Office** — 63 St. Paul Street, Rochester, N. Y. **Underwriter**—Stone & Webster Securities Corp., New York.

● Bevis Shell Homes, Inc. (6/6-10)
March 30 filed $1,600,000 of 9% subordinated sinking fund debentures due 1985 and 1,000,000 shares of common stock, to be offered for public sale in units (200,000), at $15.50 per unit, each unit to consist of five common shares, one $8 par debenture, and warrants for the purchase of two additional units of one common share and one $8 debenture at $9.50 per unit. **Proceeds**—$2,000,000 will be used to increase the company's holdings of mortgages placed on the shell homes it sells; and $1,600,000 to be used to increase its holding of mortgages will be placed in escrow for that purpose; and the balance for general corporate purposes. **Office**—Tampa, Fla. **Underwriters**—G. H. Walker & Co., New York City and Beil & Hough, Inc. of St. Petersburg, Fla., as comanagers.

Big Laurel, Inc. (5/31-6/3)
March 22 filed 400,000 shares of 7% cumulative preferred stock (par $2.80) and 400,000 shares of common stock (par 10 cents), to be offered in units of one share of preferred and one share of common. **Price**—$3 per unit. **Proceeds**—To develop a resort community and for working capital. **Office**—Bryson City, N. C. **Underwriters**—Pearson, Murphy & Co., Inc., New York City, and Mackay & Co., Reading Pa

Birtcher Corp.
March 29 filed $500,000 of 6% convertible subordinated debentures, due April 30, 1975. **Price**—At par. **Proceeds**—To pay bank loans incurred to augment working capital. **Office** — Los Angeles, Calif. **Underwriter** — Quincy Cass Associates, Los Angeles, Calif.

● Bowers Battery & Spark Plug Co. (6/6-10)
March 29 filed 280,000 shares of common stock (no par), of which 250,000 shares will be offered for public sale at $6 per share and 30,000 shares will be offered to selected employees at $5.40 per share. **Proceeds** — Between $200,000 and $300,000 is expected to be expended before 1961 for starting up costs, including initial rents of the new plant in the southeastern portion of the United States which it hopes to obtain and open before the end of the year; an additional $250,000 is expected to be expended either by the company or through its subsidiaries for the improvement of certain of its manufacturing facilities, such as additional mechanization and material control handling and for experimental work in connection with beryllium; and the balance of the proceeds will be added to the company's general funds. **Office**—Reading, Pa. **Underwriter** — Dempsey-Tegeler & Co., St. Louis and New York.

★ Brockway Glass Co., Inc. (7/11-15)
May 19 filed 162,000 shares of common stock (par $5), of which 32,000 shares are now outstanding and are to be offered for public sale by the present holders thereof and 130,000 shares are to be offered by the issuing company. **Price**—To be supplied by amendment. **Proceeds**—To be applied toward the cost of building and equipping a new glass container plant at Rosemount, Minn., near St. Paul and Minneapolis, estimated at $5,750,000. The balance of the cost of the plant will be paid from the company's funds. **Office**—1200 Wood Street, Brockway, Pa. **Underwriters** — Lehman Brothers and Blyth & Co., Inc., both of New York.

● Bruce National Enterprises, Inc. (6/6-10)
April 29 filed 335,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Proceeds**—For reduction of outstanding indebtedness; to pay off mortgages on certain property; for working capital and other corpo-

rate purposes. **Office**—1118 N. E. 3rd Avenue, Miami, Fla. **Underwriter** — George O'Neill & Co., Inc., New York.

Brush Beryllium Co. (5/31-6/3)
April 11 filed 410,206 shares of common stock, of which 260,000 shares are to be offered for the account of the issuing company and 150,206 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds** — For expansion. **Office**—Cleveland, Ohio. **Underwriters**—Kuhn, Loeb & Co., New York City, and McDonald & Co., Cleveland.

Byer-Rolnick Hat Corp.
May 9 filed 100,000 outstanding shares of common stock. **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—601 Marion Drive, Garland, Tex. **Underwriters** — Dallas Rupe & Son, Inc., Dallas, Tex. and Straus, Blosser & McDowell, Chicago, Ill.

• C-E-I-R, Inc.
March 30 filed 122,000 shares of class A voting stock. The company proposes to offer this stock for subscription by holders of outstanding class A voting and class B non-voting stock, at the rate of one new share for each four shares held. **Price**—To be supplied by amendment. **Proceeds**—To be used to the extent necessary to defray the full cost of the Telecomputing Services acquisition, and the balance will be applied to "other phases of the program." **Office**—1200 Jefferson Davis Highway, Arlington, Va. **Note** — This statement was withdrawn on May 24.

C. F. C. Funding Inc. (6/27)
May 6 (letter of notification) 75,000 shares of common stock (par 10 cents), **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—90 Broad St., New York 4, N. Y. **Underwriter**—Darius Inc., New York, N. Y.

• Cabana Pools, Inc. (5/31-6/3)
March 31 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds** — For general corporate purposes. **Office** — 640 Fifth Avenue, New York, N. Y. **Underwriter** — Mandell & Kahn, Inc., Time-Life Building, Rockefeller Center, New York, N. Y.

Capital Shares Inc., San Francisco, Calif.
May 3 filed 1,100,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To increase capital and surplus and for working capital. **Underwriter**—None.

• Central Charge Service Inc.
May 2 (letter of notification) 4,000 shares of common stock (no par). **Price**—$12.50 per share. **Proceeds**—To go to a selling stockholder. **Office**—620 11th St., N. W., Washington 1, D. C. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C. **Note**—There will be only a limited public offering.

• Certified Credit & Thrift Corp. (6/6-10)
Jan. 26 filed 250,000 shares of class A stock ($10 par) and 250,000 shares of class B stock (20c par), to be offered in units of one share of each class of stock. **Price** —$20.20 per unit. **Proceeds**—To pay mortgages. **Office** —Columbus, Ohio. **Underwriter**—Commonwealth Securities Corp., Columbus.

• Chemical Packaging Co., Inc. (5/27-31)
March 16 (letter of notification) 115,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds** — For general corporate purposes. **Office** — 755 Utica Avenue, Brooklyn, N. Y. **Underwriters**—Mainland Securities Corp., 156 N. Franklin Street, Hempstead, N. Y. and Jeffrey-Robert Corp., 382 S. Oyster Bay Road, Hicksville, L. I., N. Y.

Chemo-Vive Processes, Inc. (6/6-10)
April 22 (letter of notification) 75,000 shares of class A common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To purchase machinery and equipment and the balance for working capital. **Office** — 609-11 Fourth Avenue, Juniata, Altoona, Pa. **Underwriter** — General Investing Corp., New York, N. Y.

Chemtree Corp. (6/6-10)
April 19 (letter of notification) 262,750 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds** —For general corporate purposes. **Office**—100 W. 10th Street, Wilmington 99, Del. **Underwriter**—Havener Securities Corp., New York, N. Y.

Circle-The-Sights, Inc.
March 30 filed 165,000 shares of common stock and $330,000 of debentures (10-year 8% redeemable). **Price**—For stock, $1 per share; debentures in units of $1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

Coca-Cola Bottling Co. of New York (6/8)
April 19 filed 298,204 outstanding shares of its common stock. **Price**—To be supplied by amendment. **Proceeds** —To selling stockholders. **Underwriter**—Eastman Dillon, Union Securities & Co., New York. **Listing**—The company intends to apply for NYSE listing.

Cold Lake Pipe Line Co., Ltd.
Feb. 5 filed 200,000 shares of common stock. **Price**—At the market, at time of offering. **Proceeds**—For general corporate purposes. **Office**—1410 Stanley St., Montreal, Canada. **Underwriter**—Michael Fieldman, New York.

Colorado Caterers, Inc.
April 8 (letter of notification) 150,000 shares of common stock (no par). **Price** — $2 per share. **Proceeds** — For working capital. **Office**—7626 Old Georgetown Road, Bethesda, Md. **Underwriter**—E. A. Burka, Inc., Washington, D. C. **Note** — The SEC has announced May 9 that an anti-fraud proceeding has been filed against Mr. Burka and his firm. The company is in the process of selecting a new underwriter.

Columbia Technical Corp. (6/20-24)
May 6 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — 61-02 31st Ave., Woodside, L. I., N. Y. **Underwriters**—Diran, Norman & Co., Inc., V. S. Wickett & Co., Inc., and Cortlandt Investing Corp., New York, N. Y.

Columbia View Manor Corp.
May 2 (letter of notification) 600 first mortgage bonds (par $500) with 7% interest, due five years from date of issue. **Price**—At par. **Proceeds**—For renovation and repair of a building. **Office**—5001 Columbia View Dr., Vancouver, Wash. **Underwriter**—E. I. Hagen & Co., Inc., Portland, Ore.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

Compressed Concrete Construction Corp. (6/13-20)
May 9 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — 313 W. Jericho Turnpike, Huntington, L. I., N. Y. **Underwriter**—Capital Accumulation Corp., Franklin National Bank Bldg., Roosevelt Field, Garden City, N. Y.

Connecticut & Chesapeake, Inc.
April 29 filed $585,000 of 4½% promissory notes and 2,250 shares of common stock. It is proposed to offer these securities for public sale in units, each consisting of $260 of notes and one share of stock, provided that the minimum purchase shall be 10 units for a minimum consideration of $3,600 ($2,600 of notes and 10 shares of stock). **Price**—$360 per unit. **Proceeds**—For repayment of certain advances made to the company. **Office**—724-14th Street, N. W., Washington, D. C. **Underwriter**—Shannon & Luchs Securities Corp.

Consolidated Edison Co. (6/14)
May 6 filed $50,000,000 of first and refunding mortgage bonds, series R, due June 1, 1990. **Proceeds**—To become part of the treasury funds of the company and will be applied toward retirement of some $55,000,000 of short-term bank loans. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc. and The First Boston Corp. (jointly); Morgan Stanley & Co. **Bids**—Expected to be received on June 14, in room 1628, 4 Irving Place, New York City, up to 11 a.m. EDT. **Information Meeting** — By appointment on June 7 between 9:00 a.m. and 12 noon.

★ Consolidated Monumental Acceptance Corp.
May 13 (letter of notification) 89,998 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For working capital. **Office** — Berkeley Bldg., Columbia, S. C. **Underwriter**—None.

Consolidated Realty Investment Corp.
April 27 filed 2,000,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To establish a $250,000 revolving fund for initial and intermediate financing of the construction of custom or pre-fabricated type residential or commercial buildings and facilities upon properties to be acquired for sub-division and shopping center developments; the balance of the proceeds will be added to working capital. **Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp., Little Rock, Ark.

Constellation Life Insurance Co.
March 29 filed 1,350,000 shares of common stock, of which 350,000 shares will be reserved for stock options, 150,000 shares will be offered to holders of the outstanding common on a "first-come-first-served" basis at $3.25 per share, and 850,000 shares will be publicly offered. **Price**—$3.50 per share. **Proceeds**—To general funds. **Office** — Norfolk, Va. **Underwriter** — Willis, Kenny & Ayres, Inc., Richmond, Va.

Continental Capital Corp. (5/31-6/3)
April 19 filed 235,000 shares of capital stock (par $10). **Price**—$14 per share. **Proceeds**—For investment in small business concerns, and to the extent necessary may use a portion thereof to retire its outstanding subordinated debenture in the amount of $150,000 held by the Small Business Administration. **Office** — 120 Montgomery Street, San Francisco, Calif. **Underwriter** — McDonnell & Co., Inc., New York.

Cosmopolitan Insurance Co.
March 30 (letter of notification) 58,000 shares of capital stock (Par $1). **Price** — $5 per share. **Proceeds** — For general corporate purposes. **Office**—4620 N. Sheridan Road, Chicago, Ill. **Underwriter**—Link, Gorman, Peck & Co., Chicago, Ill.

Country Club Corp. of America
April 29 filed 200,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For repayment of outstanding debt, including payment of mortgages, taxes, notes, and miscellaneous accounts payable; for general corporate purposes and construction of new facilities. **Office** — 1737 H. Street, N. W., Washington, D. C. **Underwriter**—A. J. Gabriel Co., Inc., New York.

Crawford Corp. (5/31-6/3)
March 28 filed 200,000 shares of common stock (par $1), of which 100,000 shares are to be offered for public sale for account of issuing company and the balance, being outstanding stock, by the present holders thereof. **Price** —To be supplied by amendment. **Proceeds**—To be initially added to working capital and used for general corporate purposes, including but not limited to the reduction of short-term bank loans ($5,921,872 outstanding at Dec. 31, 1959, including $5,199,800 of bank loans made directly to an unconsolidated subsidiary). It is contemplated that the additional funds will be used to acquire land for development or resale to dealers, construction loans to builder-dealers, expansion of the company's market area, and the possible manufacture and erection, in cooperation with builders, of "shell" house packages for completion by the home owner on a "do-it-yourself" basis. **Office**—7111 Florida Boulevard, Baton Rouge, La. **Underwriter**—A. G. Becker & Co., Inc., of Chicago and New York.

Custom Craft Marine Co., Inc. (6/20-27)
March 28 (letter of notification) 85,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds** —For general corporate purposes. **Office**—1700 Niagara Street, Buffalo, N. Y. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y.

Dalto Corp. (5/31-6/3)
March 29 filed 134,739 shares of common stock, to be offered for subscription by holders of such stock of record May 2 at the rate of one new share for each two shares then held. **Price**—To be supplied by amendment. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—None.

Dart Drug Corp.
March 30 filed 200,000 shares of class A common stock, of which 170,000 shares are to be offered for public sale on behalf of the issuing company and 30,000 shares, being outstanding stock, on behalf of the present holders thereof. **Price**—$5 per share. **Proceeds**—For repayment of corporate indebtedness and for working capital. **Office** —5458 Third St., N. E., Washington, D. C. **Underwriter**—Hodgdon & Co., Washington, D. C. **Offering**—Expected sometime in June.

Defense Electronics, Inc.
April 12 (letter of notification) 200,000 shares of common stock (par one cent). **Price**—$1.50 per share. **Proceeds**—For machinery and electronic test equipment, working capital and a reserve fund. **Address**—Rockville, Md. **Underwriter**—Balogh & Co., Inc., Washington, D. C.

Deluxe Aluminum Products, Inc. (6/13-17)
Oct. 15 filed $330,000 of convertible debentures, and 70,000 shares of common stock. **Price**—For the debentures, 100% of principal amount; for the stock, $5 per share. **Proceeds**—From 10,000 shares of the common stock, to the present holders thereof; from the rest of the offering, to the company to be used for expansion and as working capital. **Office**—6810 S. W. 81st St., Miami, Fla. **Underwriter**— R. A. Holman & Co., Inc.

Development Credit Corp. of Maryland (6/13-17)
March 29 filed 2,000,000 shares of common stock. **Price** —$1.10 per share. **Proceeds** — For general corporate purposes. **Office**—22 Light St., Baltimore, Md. **Underwriter**—None.

Diversified Communities, Inc.
Sept. 25 filed 367,200 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For acquisition of Hope Homes, Inc., Browntown Water Co. and Cantor & Goldman Builders, Inc., with the balance to be used as working capital. **Office**—29A Sayre Woods Shopping Center, Madison Township, P. O. Parlin, N. J. **Underwriter**—Lee Higginson Corp., New York. **Offering**—Postponed.

Diversified Realty Investment Co.
April 26 filed 250,000 shares of common stock. **Price**—$5 per share (par 50 cents). **Proceeds** — For additional working capital. **Office**—919 18th Street, N. W., Washington, D. C. **Underwriter**—Ball, Pablo & Co., Washington, D. C.

• Doak Pharmacal, Inc. (5/31-6/3)
April 28 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** —For general corporate purposes. **Office**—99 Park Avenue, New York, N. Y. **Underwriter**—Ross Securities, Inc., 99 Wall Street, New York 5, N. Y.

Drug Associates, Inc. (6/6-10)
May 6 (letter of notification) 100 units of $100,000 of 7% sinking fund debenture bonds and 10,000 shares of common stock (par $1) to be offered in units consisting of one $1,000 debenture and 100 shares of common stock. **Price**—$1,100 per unit. **Proceeds**—For general corporate purposes. **Office**—1238 Corlies Ave., Neptune, N. J. **Underwriter**—Fidelity Securities & Investment Co., Inc., Asbury Park, N. J.

• Dubois Chemicals, Inc. (5/31-6/3)
March 30 filed 200,000 shares of common stock (par $1) to be publicly offered and 125,000 shares issuable under the company's Restricted Stock Option Incentive Plan for key employees. **Price**—To be supplied by amendment. **Proceeds**—To reduce a bank loan in the amount of $2,681,000. **Office**—634 Broadway, Cincinnati, O. **Underwriter**—Allen & Co., New York.

Durox of Minnesota, Inc.
April 11 filed $650,000 of 7% first mortgage bonds and 120,000 shares of common stock (par $1). The offering will be made in units of one bond ($100 principal amount) and 20 shares of common stock or one unit of 50 bonds at principal amount plus accrued interest. **Price**—To be supplied by amendment. **Proceeds**—For additional plant and equipment and to provide working capital to commence and maintain production. **Office** — 414 Pioneer Bldg., St. Paul, Minn. **Underwriters**—Irving J. Rice & Co., Inc., St. Paul, Minn. and M. H. Bishop & Co., Minneapolis, Minn.

Dworman Corp.
Jan. 15 filed 300,000 shares of common stock. **Price**—$10 per share. **Proceeds**—For general corporate purposes. **Office**—400 Park Avenue, New York City. **Underwriter**—Charles Plohn & Co., New York City. **Note** —This offering has been postponed.

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• Dymo Industries, Inc. (6/1-10)
April 11 filed 150,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—Approximately $200,000 of the proceeds from the sale of the stock will be used for the purchase and installation of machinery and equipment in a new plant which the company is presently negotiating to lease; $400,000 will be used for the acquisition of tools, dies, jigs and fixtures; $100,000 for leasehold improvements; and the balance for working capital. **Office**—2546 Tenth St., Berkeley, Calif. **Underwriter** — William R. Staats & Co., Los Angeles, California.

Dynamic Films, Inc. (5/31-6/3)
March 29 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — 405 Park Avenue, New York, N. Y. **Underwriter**—Morris Cohon & Co., New York, N. Y.

Dynatron Electronics Corp. (5/31-6/3)
April 29 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—178 Herricks Road, Mineola, N. Y. **Underwriter**—General Securities Co., Inc., New York, N. Y.

★ E. S. C. Electronics Corp. (6/20-24)
May 17 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For general corporate purposes. **Office** — 534 Bergen Boulevard, Palisades Park, N. J. **Underwriter**—Laird, Bissell & Meeds, New York, N. Y.

East Alabama Express, Inc.
April 1 (letter of notification) 77,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To repay notes payable, reduce equipment purchase obligations, accounts payable and for working capital. **Office**—109 M Street, Anniston, Ala. **Underwriter**—First Investment Savings Corp., Birmingham, Ala.

★ Eaton (Ralph H.) Investment, Inc.
May 12 (letter of notification) 30,000 shares of capital stock. **Price**—At par ($10 per share). **Proceeds**—For working capital. **Office**—2202 W. McDowell Road, Phoenix, Ariz. **Underwriter**—None.

Edgerton, Germeshausen & Grier, Inc. (6/13-20)
May 5 filed 120,000 shares of common stock (par $1) of which 20,000 shares are now outstanding and are to be offered for public sale by the holders thereof and 100,000 shares are to be offered by the company. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office** — 160 Brookline Ave., Boston, Mass. **Underwriter**—Kidder, Peabody & Co., New York.

Edwards Engineering Corp.
April 8 filed 85,000 shares of common stock of which 70,000 shares are to be offered for the account of the issuing company and 15,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—$3.50 per share. **Proceeds**—For general corporate purposes including salaries, sales promotion, moving expenses, and research and development work. **Office**—715 Camp Street, New Orleans, La. **Underwriter**—Sandkuhl & Company, Inc., New York City and Newark, N. J.

• Elco Corp. (6/6-10)
April 22 filed $1,000,000 of 6% convertible subordinated debentures due May 15, 1975, 82,065 common stock purchase warrants, and 87,809 shares of common stock reserved against the exercise of the warrants. **Price**—100% of principal amount plus accrued interest from May 15, 1960. **Proceeds**—For retirement of the company's indebtedness to The First Pennsylvania Banking & Trust Co., and for the purchase of machinery and equipment. **Location**—"M" Street below Erie Avenue, Philadelphia, Pa. **Underwriter**—S. D. Fuller & Co., New York.

Electrada Corp. (6/27-7/1)
March 29 filed 400,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For acquisitions, debt reduction, and other corporate purposes. **Office**—9744 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Bache & Co., New York.

Englehard Industries, Inc. (5/31-6/3)
Mar. 30 filed 400,000 shares common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—$2,000,000 to reduce outstanding amount of term notes, and the balance to reduce outstanding short-term indebtedness and increase working capital. **Office**—Newark, N. J. **Underwriters** — Dillon, Read & Co. Inc., and Lazard Freres & Co., both of New York City.

Equitable Leasing Corp.
May 9 (letter of notification) 50,000 shares of common stock (no par). **Price**—$2 per share. **Proceeds**—For working capital. **Office**—246 Charlotte St., Asheville, N. C. **Underwriter**—Courts & Co., Atlanta, Ga.

Espey Mfg. & Electronics Corp.
April 29 filed 80,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Saratoga Springs, N. Y. **Underwriter** — Sutro Bros. & Co., New York. **Offering**—Expected in late June or early July.

• Esquire Radio & Electronics, Inc. (6/6-10)
March 30 filed 150,000 shares of common stock (par 10c). **Price**—$5 per share. **Proceeds**—$73,000 will be used to replace funds used by company for payment of subordinated notes; $50,000 to repay short-term bank obligations; and the balance of approximately $477,000 will be added to working capital and used for general corporate purposes, including financing of finished and raw material inventory. **Office**—39 Broadway, New York. **Underwriter**—Myron A. Lomasney & Co.

Ets-Hokin & Galvan, Inc. (5/31-6/3)
March 28 filed 250,000 shares of common stock (par $1). **Price**—$5.30 per share. **Proceeds**—To be added to company's working capital and will be used principally to reduce some $1,000,000 of its accounts payable. The balance will be used to reduce notes payable to the Bank of America National Trust & Savings Association. **Office**—551 Mission St., San Francisco, Calif. **Underwriter**—Van Alstyne, Noel & Co., New York.

• FXR, Inc. (5/31-6/3)
March 30 filed $2,000,000 of convertible subordinated debentures, due 1970. **Price**—To be supplied by amendment. **Proceeds**—$950,000 will be used to repay short-term notes and up to $375,000 is to be invested in Micromega Corp.; the balance of the proceeds will be used to acquire new facilities, to maintain necessary inventory to meet current and anticipated sales requirements, to supplement working capital and for other general corporate purposes. **Office**—26-12 Borough Place, Woodside, N. Y. **Underwriter**—C. E. Unterberg, Towbin Co.

★ Fairmount Finance Co. (6/20-24)
May 6 (letter of notification) 58,000 shares of class A common stock (par $5). **Price**—At par ($5 per share). **Proceeds**—For working capital. **Office**—5715 Sheriff Road, Fairmount Heights, Md. **Underwriter**—J. T. Patterson & Co., Inc., 40 Exchange Place, New York, N. Y.

Family Fund Life Insurance Co.
March 30 filed 116,800 shares of common stock, to be offered for subscription by stockholders at the rate of one new share for each 5 shares held. **Price**—$9 per share; unsubscribed shares at $10.25 per share. **Proceeds**—To increase capital and surplus and expand the business. **Office**—1515 Spring St., N. W., Atlanta, Ga. **Underwriter**—J. H. Hilsman & Co., Inc., Atlanta, Ga.

Farmers' Educational & Cooperative Union of America
March 29 filed $2,500,000 of registered debentures, series D, maturing from 1969 to 1980. **Price**—To be offered in units of $100. **Proceeds**—To pay notes maturing before Dec. 31, 1963, with $1,107,000 to be contributed to surplus or loaned to subsidiaries. **Office**—Denver, Colo. **Underwriter**—None.

Farrington Manufacturing Co. (5/31-6/3)
March 25 filed $6,000,000 of subordinated convertible debentures due 1970. **Price**—To be supplied by amendment. **Proceeds**—$2,000,000 to be applied to the payment of bank loans; $2,800,000 to the scanner program in 1960, including (a) $1,000,000 for expenditures by Farrington Electronics, Inc., a newly-formed date processing subsidiary, for inventory, 250,000 to purchase and test equipment for producting scanners and $250,000 as working capital; and (b) $1,300,000 for research and development. **Office**—77 A St., Needham, Mass. **Underwriters**—Cyrus J. Lawrence & Sons, New York City; and Brawley, Cathers & Co. Toronto, Ontario, Canada.

Faultless Caster Corp. (6/20-24)
May 13 filed 250,000 shares of common stock (par $1), of which 200,000 shares are to be offered for the account of the present holders thereof and 50,000 shares are to be offered for the account of the issuing company. **Price**—To be supplied by amendment. **Proceeds**—$300,000 will be used to purchase new presses and other production equipment and the remainder will be used as working capital. **Office**—1421 North Garvin St., Evansville, Ind. **Underwriter** — Hayden, Stone & Co., New York City (managing).

• Federal Steel Corp. (6/6-10)
March 30 (letter of notification) 59,000 shares of common stock (no par). **Price**—$5 per share. **Proceeds**—For an expansion program. **Office**—3327 Elkton Ave., Dayton 3, Ohio. **Underwriter**—Westheimer & Co., Cincinnati, Ohio.

Federated Electronics, Inc. (5/31-6/3)
April 25 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—139-14 Jamaica Avenue, Jamaica, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York, N. Y.

Fidelity Acceptance Corp.
March 24 (letter of notification) 12,000 shares of class H 6% cumulative preferred stock. **Price**—At par (25) per share). **Proceeds**—For working capital. **Office**—820 Plymouth Bldg., Minneapolis, Minn. **Underwriter**—Ray F. Kersten, 3332 E. Orange Dr., Phoenix, Ariz.

• Figurette, Ltd. (6/6-10)
March 3 filed 100,000 shares of class A common stock, (par 50 cents) **Price**—$6 per share. **Proceeds**—For general corporate purposes. **Office**—514 N. E. 79th Street, Miami, Fla. **Underwriter**—Myron A. Lomasney & Co., New York.

Finger Lakes Racing Association, Inc.
Dec. 28 filed $4,500,000 of 20-year 6% subordinated sinking fund debentures due 1980 and 450,000 shares of class A stock (par $5) to be offered in units, each consisting of $100 of debentures and 10 shares of class A stock. **Price**—$155 per unit. **Proceeds**—For purchase of land and the cost of construction of racing plant as well as other organizational and miscellaneous expenses. **Office**—142 Pierrepont Street, Brooklyn, N. Y. **Underwriter**—Stroud & Co,. Inc., New York and Philadelphia. **Offering**—Delayed.

• First National Realty & Construction Corp. (6/6-10)
April 25 filed 150,000 shares of cumulative convertible preferred stock first series, $8 par, redeemable by the company on or after May 15, 1963 at $10 per share, and 150,000 shares of common stock (par 10 cents). It is proposed that these securities will be offered in units, each unit consisting of one share of preferred and one share of common. **Price**—To be supplied by amendment. **Proceeds**—$257,000 will be used to repay loans made by an officer and director of the company and a corporation controlled by him to provide funds for apartment house construction; about $500,000 will be used for the repayment of a portion of bank notes; and the balance will be added to working capital for use in the acquisition of new properties and for the company's construction program. **Office** — 630 Third Avenue, New York. **Underwriter**—H. Hentz & Co., New York.

Florida Builders, Inc. (5/31-6/3)
Mar. 30 filed 80,000 shares common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—Between $200,000 and $250,000 will be used to establish or acquire a Federal Housing Administration approved mortgage financing and service company; $200,000 will be used to pay off bank loans; and the balance for working capital. **Office**—700 43rd St. South, St. Petersburg, Fla. **Underwriter**—Jaffee & Co., New York.

Florida Home Insurance Co.
March 30 filed 17,500 shares of common stock to be offered to holders of the company's 85,995 outstanding common shares at the rate of one share for each five shares held. Unsubscribed shares will be offered to employees and officers of the company who are stockholders without further offering of such unsubscribed shares to other stockholders of the company. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general funds to be held in cash or invested in securities. **Office** — 1335 Biscayne Blvd., Miami, Fla. **Underwriter**—None.

• Florida Power & Light Co. (5/31)
May 3 filed 400,000 shares of common stock. **Proceeds**—To provide additional electric facilities and for other corporate purposes. **Office**—Ingraham Building, Miami, Fla. **Underwriter** — To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co.; Blyth & Co., Inc. **Bids** — Expected to be received up to 3:45 p.m. (EDT) on May 31 in room 2033, 2 Rector St., New York City. **Information Meeting**—Scheduled for May 27.

Food Fair Stores, Inc. (6/1)
April 14 filed 168,833 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—2223 Allegheny Ave., Philadelphia, Pa. **Underwriters**—Eastman Dillon, Union Securities & Co. and A. M. Kidder & Co., both of New York.

• Forest City Enterprises, Inc. (5/31)
Mar. 29 filed 450,000 shares common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For repayment of bank loans and for working capital. **Office**—17903 St. Clair Ave., Cleveland, O. **Underwriter**—Bache & Co., New York.

Foto-Video Electronics Corp. (6/10)
April 26 filed 125,000 shares of class B stock. **Price**—$4 per share. **Proceeds**—$100,000 for research and development, $200,000 for working capital, and the balance for sales promotion expenses. **Office** — Cedar Grove, N. J. **Underwriter**—D. F. Bernheimer & Co., Inc., New York City.

• Franklin Corp.
April 26 filed 1,000,000 shares of common stock (par value $1). **Price**—$10 per share. **Proceeds**—For investment. **Office** — 925 Hempstead Turnpike, Franklin Square, New York. **Underwriter**—Blair & Co. Incorporated, New York. **Offering**—Expected sometime in June.

• Friendly Frost, Inc. (5/31-6/3)
April 5 filed 150,000 shares common stock (par 10c). An additional 96,500 shares included in the registration statement are reserved for the company's Employees' Stock Option Plan. **Price**—$7.50 per share. **Proceeds**—For repayment of bank loans, for company's expansion program, and the balance for working capital. **Office**—123 Frost Street, Westbury, L. I., N. Y. **Underwriter**—None.

• Futterman Corp. (7/5-8)
April 1 filed 660,000 shares of class A stock. **Price**—To be supplied by amendment. **Proceeds**—For acquisition of properties. **Office**—580 Fifth Avenue, New York. **Underwriter**—Reynolds & Co., New York.

Gamble Brothers
April 14 (letter of notification) 12,500 shares of common stock (par $5) of which 11,246 shares are to be offered for subscription to stockholders of record as of April 26, 1960 on the basis of one new share for each share held. **Price**—To stockholders, $18.50 per share; to the public, $22.50 per share. **Proceeds**—For an expansion program. **Office**—4601 Allmond Avenue, Louisville, Ky. **Underwriter** — Stein Bros. & Boyce, Baltimore, Md.

Garrett Corp (6/15)
May 5 filed 100,000 shares of common stock (par $2). **Price**—To be supplied by amendment. **Proceeds**—To reduce presently outstanding indebtedness. **Office**—9851 Sepulveda Blvd., Los Angeles, Calif. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

• Gem International, Inc. (5/31-6/3)
Mar. 29 filed 150,000 shares common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—$125,000 to open, furnish and equip the new Wichita store being built for the company by others; $75,000 to open, furnish and equip the second store in St. Louis, similarly being built by others; $128,600 to purchase the assets of Embee, Inc., and Garrol, Inc., who now hold the basic lease on the premises used by the Kansas City operating company and who sublease the premises to that company: $208,000 for advance to the Honolulu subsidiary to enable it to purchase the assets of Honden, Ltd., Honla Ltd., and Dacat, Ltd., which now hold the basic leases on the store building; $105,000 for advance to Gem Stores, Inc., and Gem of St. Louis, Inc., to enable those corporations to repay loans; and the balance for general corporate purposes and as needed to expand existing facilities and to establish new locations. **Office**—418

Empire Building, Denver, Colo. **Underwriters** — Bosworth, Sullivan & Co., Inc., Denver, Colo.; and Scherck, Richter Co., St. Louis, Mo.

General Atronics Corp. (5/31-6/3)
March 18 filed 155,660 shares of common stock. **Price** —$3.50 per share. **Proceeds**—$60,000 for additional laboratory and production equipment, $80,000 for additional developmental engineering and sales promotion of materials handling equipment, $80,000 for investment in Atronic Learnings Systems, Inc., $93,000 for repayment of bank loans, and $157,859 for working capital. **Office** — Bala-Cynwyd, Pa. **Underwriter** — Harrison & Co., Philadelphia, Pa.

General Drive-In Corp. (6/13-17)
April 29 filed 180,000 shares of common stock (no par) of which 50,000 shares will be offered for public sale by the company and 130,000 are outstanding and will be offered by the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For expansion. **Office**—480 Boylston St., Boston, Mass. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston and New York.

★ General Meters, Inc.
May 11 (letter of notification) 104,703 shares of common stock (par $1) to be offered for subscription by stockholders of record for a seven day period on the basis of ¾ of a share for each share held. **Price**—$1.50 per share. **Proceeds**—For construction, purchase of equipment and working capital. **Office**—287-27 Road, Grand Junction, Colo. **Underwriter**—Peters, Writer & Christensen, Inc., Denver, Colo.

General Sales Corp. (6/20-24)
April 28 filed 90,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—$75,000 will be used for additional working capital, inventories and facilities for the Portland Discount Center; $75,000 for the same purposes in the Salem Center; and $50,000 to provide working capital for General Sales Acceptance Corp. for credit sales to member customers. The balance of the proceeds will be used to open two new stores in Oregon and Idaho. **Office** — 1105 N. E. Broadway, Portland, Ore. **Underwriter** — Fennekohl & Co., Inc., New York.

● General Shale Products Corp. (6/1)
March 29 filed 220,605 shares of outstanding common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Johnson City, Tenn. **Underwriter**—Equitable Securities Corp., Nashville, Tenn.

Glass Magic Boats, Inc. (6/13-17)
Dec. 30 (letter of notification) $51,000 of six-year 6½% convertible debentures to be offered in denominations of $51 each. Debentures are convertible into common stock at $1.50 per share. Also, 68,000 shares of common stock (par 10 cents) to be offered in units of one $51 debenture and 68 shares of common stock. **Price**—Of debentures, at par; of stock, $102 per unit. **Proceeds**—To pay off current accounts payable; purchase of raw materials and for expansion. **Office** — 2730 Ludelle Street, Fort Worth, Texas. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y. **Note**—The name has been changed from Glass Magic, Inc.

Glass Marine Industries, Inc.
April 25 filed 200,000 shares of class A stock and 100,000 shares of common stock. The class A stock is to be offered at $2.25 per share and the common at 75 cents per share; and the class A and common shares are to be offered in units consisting of two class A and one common. **Price**—$5.25 per unit. **Proceeds**—To develop the necessary production facilities to produce the company's boats. **Office**—Humboldt, Iowa. **Underwriters**—Leason & Co., Inc., Chicago, Ill.; William B. Robinson & Co., Corsicana, Texas; and Bala William & Co., Wichita Falls, Texas.

★ Globe Petroleum Co. Unit A
May 11 (letter of notification) 150 investment contract units. **Price** — $2,000 per unit. **Proceeds** — For working capital. **Address**—Bismarck, N. D. **Underwriter**—None.

Goelet Corp. (6/6-10)
March 1 filed $700,000 of 8% subordinated Installment debentures, due in March, 1970, 70,000 shares of common stock (10 cents par) and 35,000 common stock purchase warrants (exercisable at $4.30 per share until May 15, 1965), to be offered in units consisting of $100 of debentures, 10 common shares, and five warrants. **Price** —$143 per unit. **Proceeds**—To be applied toward the company's general business activities. **Office**—292 Madison Avenue, New York. **Underwriters**—Ross, Lyon & Co., Inc. and Globus, Inc., both of New York.

Gold Medal Packing Corp.
June 18 filed 572,500 shares of common stock (par one cent), and 50,000 common stock purchase warrants. Of the shares 400,000 will be sold for the account of the company; 110,000 by certain stockholders; 12,500 for the underwriter; and the remaining 50,000 shares are purchasable upon exercise of the warrants. **Price**—$1.25 per share. **Proceeds**—For repayment of debt; purchase of equipment and facilities and other general corporate purposes. **Office**—614 Broad St., Utica, N. Y. **Underwriter**—Mortimer B. Burnside & Co., New York. **Name Change**—Formerly Eastern Packing Corp. **Offering**—Indefinitely delayed.

● Gorton's of Gloucester, Inc.
March 22 (letter of notification) 10,402 shares of common stock (no par). **Price**—At-the-market, estimated at $24½ per share. **Proceeds**—To go to selling stockholders. **Office**—327 Main St., Gloucester, Mass. **Underwriter** — Kidder, Peabody & Co., Inc., Boston, Mass. **Note**—Statement effective April 26, but the offering has not yet been made.

Great American Realty Corp. (6/6-10)
April 8 filed $2,000,000 of 7% convertible debentures due July 1, 1975, together with 110,000 shares of outstanding class A stock. **Price**—For debentures, at 100% of principal amount. **Proceeds**—For additional working capital. **Office**—15 William St., New York. **Underwriter** —For debentures, Louis L. Rogers Co., 15 William St., New York City and Hilton Securities, Inc., 580 5th Ave., New York City.

★ Great Basin Consolidated Mines, Inc.
May 5 (letter of notification) 300,000 shares of common stock. **Price** — At par ($1 per share). **Proceeds** — For mining expenses. **Office**—5306 Evergreen Avenue, Las Vegas, Nev. **Underwriter**—None.

Greenbelt Consumer Services, Inc.
April 28 filed 40,000 shares of series A common stock and 160,000 shares of series B common stock. **Price**—$10 per share. **Proceeds**—$400,000 will be used in payment of bank loans made in January to finance the purchase of equipment for two new supermarkets which are planned to be opened in May and June, 1960. Approximately $200,000 will be used for the purchase of inventory for the two new stores. The company contemplates opening four additional supermarkets within the next two and one-half years. Approximately $1,200,000 of the proceeds of the offering will be used to finance the purchase of equipment and inventory for such stores. The balance of approximately $182,000 will be added to general working capital. **Office**—10501 Rhode Island Ave., Beltsville, Md. **Underwriter**—None. **Offering**—Expected in July.

Gross Furnace Manufacturing Co., Inc.
March 30 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Proceeds** — For advertising, equipment and working capital. **Office**—c/o Joseph J. Gross, 2411 Sunnybrook Road, Richmond, Va. **Underwriter**—Maryland Securities Co., Inc., Baltimore, Md.

● Growth Capital, Inc. (5/31-6/3)
April 14 filed 500,000 shares of common stock (par $1). **Price**—$20 per share. **Proceeds**—To provide investment capital and management services. **Office**—Bulkley Bldg., Cleveland, Ohio. **Underwriters**—McDonald & Co., Cleveland, Ohio and Paine, Webber, Jackson & Curtis, N. Y.

Gulf-Tex Development, Inc. (6/27-7/1)
March 30 filed 250,000 shares of common stock. **Price**—$5 per share. **Proceeds**—For purchase of Pelican Island; for improvements on said property; and for working capital and other general corporate purposes, including the general development of the property. **Office**—714 Rosenberg St., Galveston, Tex. **Underwriter**—Myron A. Lomasney & Co., New York.

Hamilton Cosco, Inc.
May 11 filed 300,000 shares of common stock. **Price** — To be supplied by amendment. **Proceeds**—To members of the Hamilton family (company founders), selling stockholders. **Office** — Columbus, Ind. **Underwriters** — Smith Barney & Co. Inc., New York City, and City Securities Corp., Indianapolis, will co-manage the group. **Offering**—Expected in mid-June.

● Hampshire Gardens Associates (5/31-6/3)
April 1 filed $376,000 of Limited Partnership Interests, to be offered in units. **Price**—$500 per unit. **Proceeds**—For purchase of the fee title to a garden type apartment community (Hampshire Gardens) consisting of 14 buildings with a total of 134 apartments in Chillum, Md. **Office**—375 Park Avenue, New York. **Underwriter**—B. C. Morton & Company, Inc., New York.

Harnischfeger Corp. (6/15)
May 3 filed 60,000 shares of convertible preferred stock (par $100). **Price**—To be supplied by amendment. **Proceeds**—To be applied to the repayment of a portion of the company's short term bank borrowings. **Underwriter** —The First Boston Corp., New York.

Harvey Aluminum (Inc.) (6/20-24)
April 21 filed 750,000 shares of class A common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** —For expansion and working capital. **Office**—Torrance, Calif. **Underwriters**—Kuhn, Loeb & Co. and Tucker, Anthony & R. L. Day, both of New York City.

● Hawley Products Co. (5/31-6/3)
Mar. 29 filed 90,000 outstanding shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds** —To selling stockholders. **Office**—333-39 North Sixth St., St. Charles, Ill. **Underwriter**—Dean Witter & Co., Chicago and New York.

Henderson's Portion Pak, Inc. (5/31-6/3)
April 18 filed 200,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—4015 Laguna Street, Coral Gables, Fla. **Underwriter**—Burnham & Co., New York.

Hermes Electronics Co.
April 29 filed 751,924 shares of common stock. Of these shares 642,854 shares are outstanding and may be sold by the holders thereof from time to time in the over-the-counter market at the then-existing prices. 54,258 shares of the stock will be offered pursuant to options outstanding or to be granted to employees. The remaining 54,812 shares will be offered to holders of the company's outstanding convertible preferred pursuant to their conversion rights. **Office** — 75 Cambridge Parkway, Cambridge, Mass. **Underwriter**—None.

Hotel Corp. of America (6/27-7/1)
May 17 filed $1,500,000 of convertible collateral trust debentures, due July 1, 1972. **Price**—To be supplied by amendment. **Proceeds**—For expansion program. **Office**—New York City. **Underwriters** — Bache & Co. and Bear, Stearns & Co., both of New York.

● Howe Plastics & Chemical Companies, Inc. (5/27-6/3)
Dec. 14 (letter of notification) 60,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds** —For general corporate purposes. **Office**—125 E. 50th Street, New York, N. Y. **Underwriter**—Hilton Securities, Inc., 580 Fifth Avenue, New York, N. Y.

Hudson Vitamin Products, Inc. (6/6-10)
April 15 filed 212,500 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—89 Seventh Ave., New York. **Underwriter** — Bear, Stearns & Co., New York.

I C Inc. (6/27-7/1)
June 29 filed 600,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver, Colo. **Underwriters**— Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

Illinois Beef, L. & W. S., Inc. (6/6-10)
April 29 filed 200,000 shares of outstanding common stock. **Proceeds**—To selling stockholders. **Price**—$10 per share. **Office**—200 South Craig Street, Pittsburgh, Pa. **Underwriters**—Amos Treat & Co., Inc., New York, and Bruno Lenchner, Inc., Pittsburgh, Pa.

Illinois Bell Telephone Co. (5/27)
May 12 filed 3,047,758 shares of common capital stock (par $20), to be offered for subscription by stockholders of record May 27, 1960, in the ratio of one new share for each ten shares then held, with rights to expire on June 30. **Price**—$20 per share. **Proceeds**—For general corporate purposes, including property additions and improvements, and repayment of advances to American Telephone & Telegraph Co. **Office**—212 W. Washington St., Chicago, Ill. **Underwriter**—None.

Insured Mortgages of America, Inc.
March 14 filed $1,000,000 of 5½% collateral trust bonds. **Price**—At 100% of principal amount. **Proceeds**—To repay temporary bank loans and to purchase additional insured mortgage loans, and for other corporate purposes. **Office**—575 Colman Bldg., Seattle, Wash. **Underwriter**—None.

International Properties, Inc.
April 20 filed 750,000 shares of common stock. **Price**—$1.65 per share **Proceeds**—To meet financial and loan commitments of the company in connection with the purchase of certain property. **Office**—1487 Northwestern Bank Building, Minneapolis, Minn. **Underwriter**—Company or selected dealers.

Interstate Finance Corp. (6/16)
May 11 filed 150,000 shares of common stock. **Price** — To be supplied by amendment. **Proceeds**—For general funds and working capital. **Office**—Evansville 8, Ind. **Underwriter**—Goldman, Sachs & Co. (managing) New York City.

Itemco, Inc. (6/20-27)
April 29 filed 200,000 shares of common stock. **Price**—$2.50 per share. **Proceeds**—For repayment of outstanding debt, for instrumentation and automation of laboratory equipment, for expansion of existing manufacturing facilities and the acquisition or establishment of additional facilities, and the balance for working capital. **Office**—18 Beechwood Avenue, Port Washington, N. Y. **Underwriters**—Morris Cohon & Company and Schrijver & Co., both of New York.

Kenrich Petrochemicals, Inc. (5/31-6/3)
March 29 filed $175,000 of 7% convertible subordinated debentures due 1970, and 55,000 shares of class A common stock. **Price**—For debentures, 100% of principal amount; and $3.50 per class A share. **Proceeds**—$10,000 will be applied towards the repayment of demand notes, $115,000 for new plant facilities and equipment; and the balance for general corporate purposes. **Office**—120 Wall St., New York. **Underwriter**—First Philadelphia Corp., New York.

Laboratory for Electronics, Inc. (6/20-24)
April 20 filed a maximum of 100,000 shares of common stock, to be initially offered to its stockholders. **Price** —To be supplied by amendment. **Proceeds**—For additional working capital and expansion, and the balance if any, to reduce bank loans. **Office**—1079 Commonwealth Avenue, Boston, Mass. **Underwriter** — Paine, Webber, Jackson & Curtis, Boston and New York.

Lamtex Industries, Inc. (6/27-7/1)
May 13 filed 100,000 shares of common stock. **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office** — Motor Ave., Farmingdale, Long Island, N. Y. **Underwriter**—Finkle, Seskis & Wohlstetter, of N. Y. City

Lasco Industries
April 29 (letter of notification) 150,000 shares of common stock (no par). **Price**—$2 per share. **Proceeds**—To pay for a new building. **Office**—2939 S. Sunol Dr., Los Angeles, Calif. **Underwriter**—Holton, Henderson & Co., Los Angeles, Calif.

Lee Motor Products, Inc. (6/27-7/1)
May 6 filed 167,000 shares of class A common stock (par $1). **Price**—$3 per share. **Proceeds**—$150,000 will be used to repay existing obligations to banks incurred in March of 1960 to retire trade accounts and for other working capital purposes; approximately $50,000 will be used to finance expansion of warehouse facilities; and the balance of $207,000 will be added to the company's general funds and used as working capital. **Office** — 4701 Gladstone Ave., Cleveland, Ohio. **Underwriter**—Godfrey, Hamilton, Magnus & Co. Inc., New York.

★ Liberian Iron Ore Ltd.
May 19 joined with The Liberian American-Swedish Minerals Co., Monrovia, Liberia, in the filing of $20,000,000 of 6¼% first lien collateral trust bonds, series A, due 1980, of Lio, $20,000,000 of 6¼% subordinated de-

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bentures due 1985 of Lio, and unspecified number of shares of Lio capital stock, to be offered in units. Also included in the registration statement are $20,000,000 of 6¼% secured promissory notes, series A, of Lamco and $20,000,000 of 6¼% subordinated debentures of Lamco. **Price**—For units, to be supplied by amendment. **Proceeds**—To make loans to Lamco. **Office**—97 Queen St., Charlottetown, Prince Edward Island, Canada, N. S. **Underwriter**—White, Weld & Co., Inc., New York.

● Liberty Records, Inc. (6/6-10)
April 1 filed 150,000 shares of common stock (par 50c). **Price**—Approximately $8.00 per share. **Proceeds**—To be added to the company's general corporate funds, substantially to meet increased demands on working capital. **Office**—6920 Sunset Boulevard, Los Angeles, Calif. **Underwriter** — Crowell, Weedon & Co., Los Angeles, Calif.

● Litecraft Industries, Ltd. (5/31-6/3)
March 29 filed $750,000 of 6¼% subordinated sinking fund debentures, due 1980, and an undetermined number of common shares, to be offered in units. **Price**—$500 per unit plus accrued interest from May 1, 1960. **Proceeds**—For general corporate purposes. **Office**—Passaic, N. J. **Underwriter**—P. W. Brooks & Co., New York.

● Lite-Vent Industries, Inc. (5/31-6/3)
March 25 filed 100,000 shares of common stock (par $1). **Price**—$5.20 per share. **Proceeds**—To be added to company's general funds, of which $200,000 will be used for repayment of indebtedness, $45,000 to acquire additional roll forming machinery and equipment, $74,000 to repay advances by two officers, and the balance for working capital and other corporate purposes. **Office**—14637 Meyers Road, Detroit, Mich. **Underwriters**—Peter Morgan & Co., and Philips, Rosen & Appel, both of New York City.

Magnasync Corp.
Feb. 26 filed 200,000 shares of capital stock. **Price** — $5 per share. **Proceeds**—To repay interim loans up to $100,000 to Taylor & Co.; $100,000 for expansion of laboratory facilities and personnel for research and development; $100,000 to increase plant production facilities; $116,000 for tooling and production of proprietary items; $110,000 for increase of inventory; $75,000 for research and development; and $2,000 for documentary stamps; $110,000 will be added to working capital; and the remaining $88,400 is unallocated. **Office**—5546 Satsuma Ave., North Hollywood, Calif. **Underwriter**—Taylor and Company, Beverly Hills, Calif.

Magnin (Joseph) Co., Inc. (5/31-6/3)
March 25 filed $1,250,000 of 15-year convertible subordinated debentures due May 1, 1975, and 78,000 shares of common stock (par $1). The debentures and 35,000 common shares are to be offered for public sale by the issuing company and the remaining 43,000 common shares by the present stockholders thereof. **Price**—To be supplied by amendment. **Proceeds**—For the purchase of the Blum's interest in Specialty Shops, Inc., and the balance for general corporate purposes. **Office**—Stockton and O'Farrell Sts., San Francisco, Calif. **Underwriter**—F. S. Smithers & Co., New York City and San Francisco.

Majestic Utilities Corp.
April 29 filed $300,000 of 6% convertible 10-year debentures, $250 face value, 30,000 shares of common stock, and options to purchase an additional 30,000 shares. It is proposed to offer these securities for public sale in units (1,200), each consisting of $250 face amount of debentures, 25 shares of common stock, and options to to purchase an additional 25 common shares. **Price**—$350 per unit. **Proceeds**—To be applied in part payment of a $250,310 bank loan and the balance to be added to working capital and used for general corporate purposes. **Office** — 1111 Stout Street, Denver, Colo. **Underwriter**—Purvis & Company, Denver, Colo. **Offering**—Expected sometime in July.

Martin-Parry Marine Corp. (6/20-24)
May 10 (letter of notification) 240,000 shares of common stock (par 10 cents). **Price**—$1.25 per share. **Proceeds**—For general corporate purposes. **Office** — 415 Madison Ave., New York, N. Y. **Underwriter**—Edward H. Stern & Co., 32 Broadway, New York 32, N. Y.

● Maryland Credit Finance Corp. (5/31-6/3)
March 29 filed 28,250 common shares, of which 25,000 shares are being sold for the account of the issuing company, and 3,250 shares are being offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For working capital and the reduction of short-term indebtedness. **Office**—Easton, Md. **Underwriter**—Alex Brown & Sons, Baltimore, Md.

● Mattel, Inc. (6/6-10)
April 18 filed 300,000 shares of common stock, (par $1), of which 50,000 shares are to be offered for public sale for the account of the issuing company and 250,000 shares now outstanding, by the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For additional working capital. **Office**—5150 Rosecrans Avenue, Hawthorne, Calif. **Underwriter**—Bache & Co., New York.

McCormick Selph Associates, Inc.
April 15 filed 130,000 shares of capital stock, of which 100,000 shares will be offered for public sale by the issuing company and 30,000 shares, being outstanding, by the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To reduce outstanding indebtedness, to reduce accounts payable, and for additional working capital. **Office**—2308 San Felipe Rd., Hollister, Calif. **Underwriter**—Wilson, Johnson & Higgins, San Francisco, Calif.

McGowen Glass Fibers Corp. (5/31-6/3)
April 27 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds** — For general corporate purposes. **Office** — 829 Newark Avenue, Elizabeth, N. J. **Underwriter**—Simmons, Rubin & Co., Inc., New York, N. Y.

Medallion Pictures Corp. (5/31-6/3)
March 29 (letter of notification) $300,000 of 6½% convertible subordinated debentures due March 30, 1968. **Price**—At 100%. **Proceeds**—For general corporate purposes. **Office**—200 W. 57th Street, New York 18, N. Y. **Underwriter**—Hancock Securities Corp., New York, N. Y.

Miami Tile & Terrazzo, Inc.
March 11 filed 125,000 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—$150,000 as reduction of temporary bank loans, $140,000 in reduction of accounts payable, $65,000 to repay notes and loans payable to Barney B. and Nathan S. Lee, and the balance for general corporate purposes. **Office**—6454 N. E. 4th Ave., Miami, Fla. **Underwriter** — Plymouth Bond & Share Corp., Miami, Fla.

Michigan Wisconsin Pipe Line Co. (6/1)
April 20 filed $30,000,000 of first mortgage pipe line bonds, series due 1980. **Proceeds**—For construction program. **Office**—500 Griswold Street, Detroit, Mich. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc. **Bids**—Expected to be received up to 11 a.m. (EDST) on June 1, Suite 1730, 165 Broadway, New York. **Information Meeting**—Scheduled for 11:30 a.m. (EDST), May 31, 5th floor, 20 Exchange Place, New York City.

● Midwest Technical Development Corp. (6/13-17)
May 17 filed 561,500 shares of common stock, to be offered to holders of the outstanding common on a one-for-one basis. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Minneapolis, Minn. **Underwriters**—Shearson, Hammill & Co., New York City, and Piper, Jaffray & Hopwood, Minneapolis.

● Midwestern Gas Transmission Co. (6/7)
April 22 filed $60,000,000 of first mortgage pipe line bonds, series due June 1, 1980, with attached warrants for the purchase of 240,000 shares of common stock (par $5). The bonds will be offered in denominations of $1,000 with attached warrants for the purchase of four shares of common stock at $15 per share on and after Jan. 1, 1964 through Dec. 31, 1973. **Price**—To be supplied by amendment. **Proceeds** — To finance construction of two natural gas pipe line systems. **Office**—Tennessee Building, Houston, Texas. **Underwriters** — Stone & Webster Securities Corp.; White, Weld & Co., and Halsey, Stuart & Co. Inc., all of New York.

Midwestern Indemnity Co.
March 25 (letter of notification) 15,832 shares of common stock (par $5) to be offered for subscription by stockholders of record at the close of business on March 4, 1960 in the ratio of one share for each three shares held. **Price**—$17 per share. **Proceeds**—For working capital. **Address**—Cincinnati, Ohio. **Underwriter** — W. D. Gradison & Co., Cincinnati, Ohio.

Miles Laboratories, Inc. (6/24)
May 18 filed approximately $8,300,000 of convertible subordinated debentures due 1980. The company proposes to offer to the holders of its outstanding common stock of record on or about June 24, 1960, rights to subscribe for the debentures in the ratio of $100 principal amount of debentures for each 16 shares of common stock then held; the subscription offer will expire July 11, 1960. The new debentures which will be convertible into common stock until maturity, unless previously redeemed, will be entitled to an annual sinking fund commencing July 1, 1966, sufficient to retire approximately 93% of the debentures prior to maturity. **Proceeds**—For repayment of short-term debt. **Underwriter**—The First Boston Corp., New York, managing.

● Missile Electronics, Inc.
Feb. 5 filed 214,500 shares of common stock, of which 200,000 shares will be sold for the company's account and the remaining 14,500 shares will be offered for the account of certain selling stockholders. **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—89 West 3rd St., New York City. **Underwriter**—Pleasant Securities Co. of Newark, N. J. **Note**—This statement was withdrawn on May 23.

Monowall Homes, Inc.
April 22 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To pay an outstanding note, purchase of land, equipment and for working capital. **Office**—546 Equitable Building, Baltimore 2, Md. **Underwriter**—American Diversified Securities, Inc., Washington, D. C.

Montgomery Ward Credit Corp. (6/27-7/1)
May 5 filed $50,000,000 of debentures, 1980 series. **Price**—To be supplied by amendment. **Proceeds**—To be added to general funds and will be available for the purchase of deferred payment accounts from Montgomery Ward & Co., Inc. **Office**—100 West Tenth St., Wilmington, Del. **Underwriter**—Lehman Brothers, New York.

Mustang Lubricant, Inc.
May 9 filed 80,000 shares of class A common stock. **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office**—Denver, Colo. **Underwriter**—To be supplied by amendment.

Movielab Film Laboratories Inc. (6/20)
May 4 filed 100,000 shares of class A common stock (par $1) including 62,500 shares to be offered for public sale by the company and 37,500 shares which are outstanding and will be offered by the holder thereof. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—619 West 54th St., New York. **Underwriter**—Granbery, Marache & Co., New York.

● Namm-Loeser's Inc. (6/27-7/1)
April 27 filed 217,278 shares of common stock (par $1). The company proposes to offer 108,000 shares of new common stock for subscription by holders of outstanding stock of record May 31, at the rate of one new share for each three shares held. Arebec Corp., of New York, which owns 109,278 common shares, has entered into an agreement to sell said shares to the underwriter. **Price**—To be supplied by amendment. **Proceeds**—To be added to company's general funds and will enable it to use all or part of the proceeds in the reduction of bank indebtedness. **Office** — 2301 Woodward Ave., Detroit, Mich. **Underwriter**—Ladenburg, Thalmann & Co., New York.

National Cash Register Co. (6/2)
April 29 filed $40,000,000 of sinking fund debentures, due June 1, 1985. **Price**—To be supplied by amendment. **Proceeds**—To repay current bank loans and for working capital. **Office**—Main and K Sts., Dayton,, Ohio. **Underwriter**—Dillon, Read & Co., Inc., New York. **Listing**—Application will be made to list the debentures on the New York Stock Exchange.

National Lawnservice Corp. (6/6-10)
Jan. 11 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 410 Livingston Avenue, North Babylon, N. Y. **Underwriter**—Fund Planning Inc., New York, N. Y.

National Old Line Life Insurance Co. (6/6-10)
April 12 filed 128,329 shares of class BB (non-voting) common stock, of which 43,329 shares are to be offered for the account of the issuing company and 80,000 shares representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes. **Office** — Little Rock, Ark. **Underwriter**—Equitable Securities Corp., Nashville, Tenn.

● National Packaging Corp. (6/9-10)
March 30 filed 60,000 of common capital stock (par $1). **Price**—$6 per share. **Proceeds**—To retire $87,000 of indebtedness, to purchase $18,000 of additional machinery and equipment, to set up a small plant (at cost of $28,000) on the West Coast to service the fruit tray and vegetable tray business in that area, and for working capital. **Office** — 3002 Brooklyn Ave., Fort Wayne, Ind. **Underwriter**—First Securities Corp., 212 W. Jefferson St., Ft. Wayne, Ind.

National Union Life Insurance Co.
March 29 (letter of notification) 50,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds**—For expenses in the operation of an insurance company. **Address**—Montgomery, Ala. **Underwriter**—Frank B. Bateman, Ltd., Palm Beach, Fla.

★ Navigation Computer Corp. (6/27-7/1)
May 18 filed 50,709 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and used for general corporate purposes. **Office**—1621 Snyder Ave., Philadelphia, Pa. **Underwriters**—Drexel & Co. and DeHaven & Townsend, Crouter & Bodine, both of Philadelphia, Pa.

Nebraska Consolidated Mills Co.
May 11 filed 111,951 shares of common stock, to be offered for subscription by holders of outstanding common, at the rate of one new share for each four shares held. **Price** — $10 per share. **Proceeds** — To be added to the general funds of the company and will be used to finance larger inventories and accounts receivable. **Office**—1521 North 16th St., Omaha, Neb. **Underwriter**—None.

● New Britain Gas Light Co. (7/8)
May 18 filed a maximum of 16,000 shares of common stock (par $25), to be offered to holders of the outstanding common on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—To discharge bank loans, for construction, and for general corporate purposes. **Office**—New Britain, Conn. **Underwriter**—Putnam & Co., Hartford, Conn.

New Jersey Natural Gas Co.
March 29 filed $3,830,000 of convertible debentures, 5¼% series due 1970, being offered to holders of its outstanding common stock at the rate of $4 principal amount of convertible debentures for each share held of record May 6, to expire on May 27 at 3:30 p.m. (EDST). The debentures will be sold at principal amount in denominations of $50, $100, $500, $1,000 and multiples of $1,000, and will be convertible into stock beginning Jan. 1, 1961, at the rate of $22 of debentures for each share of common. **Proceeds**—To be applied to the partial payment of short-term bank loans outstanding in the amount of $5,000,000 and obtained in connection with the company's construction program. **Office**—601 Bangs Ave., Asbury Park, N. J. **Underwriter**—Allen & Co., New York.

★ New Jersey Power & Light Co. (7/19)
May 24 filed $5,000,000 of first mortgage bonds, due 1990. **Proceeds**—For construction and reduction of indebtedness. **Office**—Denville, N. J. **Underwriter**—To be determined by competitive bidding.

North Central Co. (5/27)
March 11 filed 420,945 shares of common stock (par $1). The company proposes to offer 142,860 shares for cash sale at $7 per share. Additional shares (amount unspecified) are to be offered in exchange for outstanding shares of North Central Life Insurance Co., of St. Paul. The rate of exchange is to be supplied by amendment. **Proceeds**—To be added to the general funds of the company. **Office**—335 Minnesota St., St. Paul, Minn. **Underwriter**—None.

North Washington Land Co.
May 3 filed $1,600,000 of first mortgage participation certificates. **Price**—The certificates will be offered at a discount of 17.18% from face value. **Proceeds**—For the

primary purpose of refinancing existing loans. **Office**—1160 Rockville Pike, Rockville, Md. **Underwriter**—Investor Service Securities, Inc.

★ Northwest Natural Gas Co.
May 25 filed 60,000 shares of preferred stock (par $100). **Price**—To be supplied by amendment. **Proceeds**—To retire $5,000,000 of bank loans and the balance for construction purposes. **Office**—Portland, Ore. **Underwriter**—Lehman Brothers, New York City.

Northwestern Bell Telephone Co. (6/6)
May 13 filed $45,000,000 of 38-year debentures, due 1998. **Proceeds**—The company intends to use a portion of the net proceeds of the sale of the debentures to repay some $24,600,000 of advances from its parent, American Telephone & Telegraph Co. and to deposit the balance in its general funds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co. **Bids**—Expected to be opened on June 6, up to 11:30 a.m., New York Time, at Room 2315, 195 Broadway, N. Y. City.

Nuclear Engineering Co., Inc.
April 18 (letter of notification) 30,000 shares of common stock (par 33.3 cents). **Price**—$10 per share. **Proceeds**—To replace bank financing, reduce accounts payable, purchase machinery and equipment and for working capital. **Office**—65 Ray St., Pleasanton, Calif. **Underwriter**—Pacific Investment Brokers, Inc., Seattle, Wash.

• Obear-Nester Glass Co. (6/13-17)
April 14 filed 210,045 shares of common stock (no par). **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—Broadway and 20th, East St. Louis, Ill. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

Oil Shale Corp.
March 30 filed 300,000 shares of common stock, to be offered to the holders of its outstanding common stock. The subscription date and record date will be supplied by amendment. **Price**—$2.50 per share. **Proceeds**—For general corporate purposes. **Office**—9489 Dayton Way, Beverly Hills, Calif. **Underwriter**—None.

• OK Rubber Welders, Inc. (5/31-6/3)
Mar. 29 filed 50,000 shares common stock (par $10). **Price**—To be supplied by amendment. **Proceeds**—Together with the proceeds of a $1,100,000 insurance company loan and $700,000 realized from the sale of installment notes to its wholly-owned susbidiary finance company, OK Acceptance Corp., will be used to reduce bank loans in the amount of $1,300,000; to repay other indebtedness in the amount of $228,600; and the balance of approximately $800,000 will be added to working capital. **Office**—551 Rio Grande Avenue, Littleton, Colo. **Underwriter**—Bosworth, Sullivan & Co., Inc., Denver, Colo.

★ Oslo (City of) Norway
May 24 filed $10,000,000 of sinking fund external loan bonds due June 15, 1975. **Price** — To be supplied by amendment. **Proceeds** — To be advanced by the City's Loan Fund to the Oslo Electricity Works, the Oslo Harbor Authority and the municipal tramway companies for capital expenditures to be undertaken by these municipal enterprise. **Underwriters**—Kuhn, Loeb & Co., Harriman Ripley & Co., Lazard Freres & Co., and Smith, Barney & Co., all of New York. **Offering**—Expected in late June.

• Ott Chemical Co. (5/31)
March 17 filed $450,000 of convertible subordinated debentures due June 1, 1970. The company proposes to offer the debentures for subscription by common stockholders of record June 1, 1960, at the rate of a $100 debenture for each 3.11 shares then held with rights to expire on June 10. **Price** — 100% of principal amount. **Proceeds** — For retirement of a note, for additional improvements to properties, for equipment and the balance for working capital and other purposes. **Office**—500 Agard Road, Muskegon, Mich. **Underwriter** — H. M. Byllesby & Co., Inc., Chicago, Ill.

Oxford Manufacturing Co., Inc. (6/13-20)
May 3 filed 240,000 shares of class A common stock (par $1), of which 160,000 shares are now outstanding and are to be offered for public sale by the present holders thereof and the remaining 80,000 shares will be offered by the issuing company. **Price** — To be supplied by amendment. **Proceeds**—$150,000 will be used for the purchase of additional machinery and equipment to be installed in certain new manufacturing plant facilities, construction of which has been completed; the balance of the proceeds will be used for general corporate purposes. **Office**—151 Spring Street, N. W., Atlanta, Ga. **Underwriters**—W. C. Langley & Co., New York; and Courts & Co., Atlanta and New York.

• Pacemaker Boat Trailer Co., Inc.
Feb. 29 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For purchase of equipment, raw materials and working capital. **Office** — 622 E. Glenolden Ave., Glenolden, Pa. **Underwriter**—Pearson, Murphy & Co., Inc. **Note**—Statement was effective May 24.

Pacific Coast Properties, Inc. (5/31-6/3)
April 19 filed 2,682,801 shares of common stock (par $1), of which 917,835 shares will be offered at $10 per share to the holders of Food Giant Markets, Inc. common, preferred, and employee stock options. **Price**—For remainder of offering to be supplied by amendment. **Proceeds**—$906,000 toward cost of property acquisition and the remainder for general corporate purposes. **Office**—Beverly Hills, Calif. **Underwriter**—Bear, Stearns & Co.

Pacific Panel Co. (6/13-17)
Feb. 8 filed 100,000 shares of class A common stock, subsequently increased to 150,000 shares (par 50 cents). **Price**—$3. **Proceeds**—For reduction of indebtedness, for working capital; for establishment of three additional outlets and to provide additional working capital for a new subsidiary. **Office**—1212 West 26th Street, Vancouver, Wash. **Underwriter**—Frank Karasik & Co., Inc.

• Pan American Envelope Co., Inc. (5/31-6/3)
May 10 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For payment of a loan, equipment mortgages, purchase of new folding and printing equipment, inventory, promotion and advertising, etc. **Office**—6700 N. W. 35th Ave., Miami, Fla. **Underwriter** — Merritt, Vickers, Inc., New York, N. Y.

★ Parker (A. J.) Co.
May 11 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To repay a loan, expansion of sales, personnel, advertising, development and research and for working capital. **Office**—1238 Belmont Avenue, Philadelphia, Pa. **Underwriter**—Metropolitan Securities, Inc., Philadelphia, Pa.

Patrick County Canning Co., Inc. (5/31-6/3)
March 25 filed 140,000 shares of common stock. **Price**—$3 per share. **Proceeds**—About $162,000 will be applied to the payment of certain indebtedness; $25,000 for additional machinery and equipment; and $118,752 for working capital, promotion and advertising. **Office**—52 Broadway, New York. **Underwriter** — G. Everett Parks & Co., Inc., New York.

Pearson Corp. (7/11-15)
March 30 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—$60,000 will be utilized to repay the company's indebtedness to Business Development Co. of Rhode Island; the balance will be added to working capital for general corporate purposes, principally to finance inventory and for other manufacturing costs. **Office**—1 Constitution St., Bristol, R. I. **Underwriter**—R. A. Holman & Co., Inc., New York.

★ Pennsylvania Company (6/6)
May 23 filed $35,000,000 of collateral trust bonds, due 1985. The bonds are to be secured by the pledge of 1,400,000 shares of common stock of Norfolk & Western Ry. and are entitled to a sinking fund calculated to retire 92% of the issue prior to maturity. **Price**—To be supplied by amendment. **Underwriters** — The First Boston Corp., Flore, Forgan & Co. and Salomon Bros. & Hutzler, all of New York.

Peoples Telephone Corp.
March 29 filed 15,250 shares of common stock (par $50) being offered to stockholders of record on May 13, 1960, at the rate of one additional share for each two shares then held with rights to expire at 3:30 p.m. (EDT) on June 15. **Price**—$75 per share. **Proceeds**—$1,100,000 will be used to repay in part short-term bank loans of $1,600,000 incurred during 1959 to provide funds for the company's continuing program of modernization, improvement and expansion; the balance of the proceeds will be added to its general funds. **Office**—218 South Washington Street, Butler, Pa. **Underwriter**—None.

Philippine Oil Development Co., Inc.
March 30 filed 103,452,615 shares of capital stock, to be offered for subscription by stockholders at the rate of one new share for each 5½ shares held. **Price** — To be supplied by amendment. **Proceeds**—To be added to the company's working capital. **Office** — Soriano Bldg., Manila, Philippines. **Underwriter**—None.

Pilchuck Park Lifts, Inc.
May 10 (letter of notification) 30,000 shares of 6% participating preferred stock. **Price** — At par ($10 per share). **Proceeds**—For expenses in developing and operating a ski resort. **Office**—3018 Colby Avenue, Everett, Wash. **Underwriter**—None.

Pioneer Metals, Inc. (5/31-6/3)
April 20 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To retire outstanding bank loans, inventory purchases, expansion and for working capital. **Office**—1900 N. E. Miami Court, Miami, Fla. **Underwriter**—Hancock Securities Corp., New York, N. Y.

★ Polycast Corp.
May 19 filed $400,000 of 6½% convertible subordinated debentures and 71,364 shares of common stock, of which the debentures and 20,000 shares of common stock will be offered publicly; 15,000 shares are issuable upon the exercise of warrants and the remaining 36,364 shares are issuable upon conversion of the debentures. **Price**—For debentures, 100%; price for common stock will be supplied by amendment. **Proceeds**—To be used in part ($325,000) to purchase equipment, and the balance will be used for working capital purposes. **Office**—69 Southfield Ave., Stamford, Conn. **Underwriters**—M. L. Lee & Co., Inc. and Milton D. Blauner & Co., Inc., both of New York.

★ Powertron Ultrasonics Corp.
May 19 filed 205,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For retirement of outstanding indebtedness, and the balance will be used for working capital. **Office**—Roosevelt Field Industrial Park, Garden City, L. I., N. Y. **Underwriter**—None.

★ Professionals Rediscount Corp.
May 20 (letter of notification) $250,000 of 6% subordinated convertible debentures due May 15, 1975 (immediately convertible into 250,000 shares of common stock) and 50,000 shares of common stock (par 30 cents). **Price**—Debentures, at face value plus accrued interest, stock at $1 per share. **Proceeds**—For general corporate purposes. **Office** — 19 Union Square West, New York City. **Underwriter**—None.

Provident Fund for Income, Inc.
Dec. 23 filed 400,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For investment. **Office**—3 Penn Center Plaza, Philadelphia, Pa. **Underwriter**—Provident Management Corp., same address. **Offering**—Expected in late June.

• Pyramid Electric Co.
April 1 filed 89,675 shares of common stock to be issued to holders of the company's outstanding stock purchase warrants at the rate of one share for each warrant at a price of $3.25 per share. The warrants were issued in and after May, 1954, in connection with a previous public offering and included 46,000 to the underwriter, S. D. Fuller & Co., and 46,000 to the company's officers and employees. At present there are 89,675 warrants outstanding. The warrants are exercisable until June 25, 1960. **Office**—52 Broadway, New York. **Offering**—Expected sometime in June.

Rajac Self-Service, Inc. (7/11-15)
March 18 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—11 E. Second Street, Mt. Vernon, N. Y. **Underwriter**—Walter R. Blaha & Co., Inc., Long Island City, N. Y.

Reeves Broadcasting & Development Corp. (6/13-17)
March 30 filed 487,392 shares of common stock, of which 300,000 shares are to be publicly offered and 187,392 shares are to be purchased by Christiana Oil at $4.75 per share and distributed as a dividend to its 2,800 stockholders. **Price**—$5 per share. **Proceeds**—To pay a $110,000 bank note and for general corporate purposes. **Office**—304 East 44th St., New York. **Underwriter**—Laird & Co. Corp., New York.

• Reliance Manufacturing Co. (5/31-6/3)
March 28 filed 150,000 shares of common stock (par $5), of which 40,000 shares are to be offered for public sale for account of company. The remaining 110,000 shares are now outstanding and are to be offered for sale by the present holder thereof. **Price**—To be supplied by amendment. **Proceeds**—For repayment of short-term bank debt. **Office**—350 Fifth Ave., N. Y. **Underwriter**—Glore, Forgan & Co., New York.

Republic Ambassador Associates
April 29 filed $10,000,000 of Limited Partnership Interests, to be offered in units. **Price**—$10,000 per unit. **Proceeds**—To purchase hotels in Chicago from a Webb & Knapp subsidiary. **Office**—111 West Monroe Street, Chicago, Ill. **Underwriter**—Lee Higginson Corp., New York. **Offering**—Expected in late June.

Republic Graphics Inc. (5/31-6/3)
April 29 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For general corporate purposes. **Office** — 134 Spring Street, New York, N. Y. **Underwriters**—Theodore Arrin & Co., Inc., 82 Beaver Street, New York, N. Y.; T. M. Kirsch & Co., and Robert A. Martin Associates, Inc., New York, N. Y.

Roller Derby TV, Inc.
March 30 filed 277,000 shares of common stock, of which 117,000 shares are to be offered for public sale by the issuing company, and the remaining 145,000 shares will be sold for the account of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes relating to the production and sales of motion picture films of the Roller Derby, and the balance for working capital. **Office**—4435 Woodley Ave., Encino, Calif. **Underwriter**—To be supplied by amendment.

S.A.F., Ltd.
May 6 filed $303,000 of partnership interests, to be offered for sale in units. **Price**—$500 per unit. **Proceeds**—To acquire fee title to certain land in St. Augustine, Fla., upon which will be constructed a 54-unit Howard Johnson Motor Lodge and restaurant, swimming pool and related facilities. **Office**—60 East Coral Center, Fort Lauderdale, Fla. **Underwriters**—Radice Securities Corp. and Jerry Thomas & Co., Inc., Palm Beach, Fla.

• Safticraft Corp., Patterson, La. (6/6-10)
April 29 filed 275,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—The company proposes to use $50,000 to expand its efforts in the sale of Safticraft boats nationally; $250,000 for reduction of short-term borrowings; and the remaining $293,500 to be advanced to du Pont, Inc. as additional working capital necessary in the financing of increased inventories and receivables incident to the increased sales volume of Dupont. **Underwriter** — George, O'Neill & Co., Inc., New York.

Saucon Development Corp. (6/27-7/1)
April 28 (letter of notification) an undetermined number of shares of common stock (par $1) not to exceed $300,000. **Price**—To be supplied by amendment. **Proceeds**—For mining expenses. **Office** — c/o Wallace F. McQuade, Pres., 246 Beaconsfield Blvd., Beaconsfield, Quebec, Canada. **Underwriter**—P. Michael & Co., 69 Passaic St., Garfield, N. J.

Savannah Electric & Power Co. (6/16)
May 11 filed $5,000,000 of first mortgage bonds, due 1990, and $3,000,000 of debentures, due June 1, 1985. **Proceeds**—For payment of outstanding notes and for construction expenses. **Office**—Savannah, Ga. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and White Weld & Co. (jointly); The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—To be received on June 16 up to 11 a.m. EDT at 90 Broad St., New York City, 19th floor. **Information Meeting**—June 14 at 2:30 p.m. EDT.

Savannah Newspapers, Inc. (6/8)
April 20 filed 480,000 shares of common stock (par $1). **Price**—$5.25 per share in lots of 20,000 or more; otherwise $5.55 per share. **Office**—Savannah, Ga. **Underwriter**—Johnson, Lane, Space Corp., Savannah, Ga.

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★ Scope, Inc.
May 12 (letter of notification) 60,000 shares of common stock (par $1). **Price** — $5 per share. **Proceeds** — For tooling, plant equipment, inventory and start-up cost. **Address** — Routes 29-211, Fairfax, Va. **Underwriter** — None.

Sea-Highways, Inc. (6/20-24)
May 9 filed 150,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For working capital. **Office**—Pan-American Bank Bldg., Miami, Fla. **Underwriter**—John R. Maher Associates, of New York.

★ Seaway Shopping Centers, Inc.
May 20 filed 90,000 shares of $.50 cumulative convertible preferred stock, ($.01 par) and 90,000 shares of class A common stock ($.01 par). It is proposed to offer these shares in units, each consisting of one share of preferred at $7 per share and one class A share at $3 per share, or $10 for the unit. **Proceeds**—To complete construction of new shopping centers. **Office** — 619 Powers Bldg., Rochester, N. Y. **Underwriter**—John R. Boland & Co., Inc., New York.

Security Industrial Loan Association (6/13-17)
April 13 filed $500,000 of 7% convertible subordinated debentures due May 1, 1975, and 50,000 shares of common stock. **Prices**—To be supplied by amendment. **Proceeds**—To be available for loans to customers. **Office**—Central National Bank Building, Richmond, Va. **Underwriter**—Lee Higginson Corp., New York.

● Service Instrument Corp. (6/20-24)
March 23 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds** — For general corporate purposes. **Office** — 693 Broadway, New York, N. Y. **Underwriter** — Pearson, Murphy & Co., Inc., New York, N. Y.

● Servonics, Inc.
Feb. 25 filed 76,600 shares of common stock (par $1) being offered to stockholders. The company will issue transferable subscription warrants evidencing (a) rights to subscribe for one new share of common stock for each five shares held on the record date May 24, and (b) the privilege of subscribing for such of the shares offered as are not subscribed for upon the exercise of rights, if any, subject to allotment with rights to expire on June 10. **Price**—$7 per share. **Proceeds**—For general corporate purposes. **Office**—822 North Henry St., Alexandria, Va. **Dealer-Manager**—Kidder, Peabody & Co., New York.

Shellmak Corp.
May 2 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—To purchase land and equipment for chip-n-sand courses. **Office** 14702 Hawthorne Boulevard, Lawndale, Calif. **Underwriter**—Binder & Co., Inc., Los Angeles, Calif.

● Sierra Electric Corp. (5/31-6/3)
March 29 filed 100,000 shares of common stock, of which 80,000 shares are to be sold for the account of the issuing company and 20,000 shares are to be sold for the account of the present holder thereof. **Price**—$9 per share (par $1). **Proceeds**—To reduce bank loans and for working capital. **Office**—Gardena, Calif. **Underwriter**—Marron, Sloss & Co., Inc., New York City.

Simmonds Precision Products, Inc. (6/6-10)
March 30 filed 112,500 shares of common stock (par $1) constituting its first public offering, of which 100,000 shares are to be offered for public sale by the issuing company and 12,500 shares being outstanding stock, by Geoffrey R. Simmonds, president. **Price** — To be supplied by amendment. **Proceeds** — To be added to company's working capital, thereby reducing the amount of funds required to be borrowed under its revolving credit agreement and putting the company in a more favorable position to secure, through borrowings, such additional funds as may be required from time to time. **Office**—105 White Plains Rd., Tarrytown, N. Y. **Underwriter**—Shearson, Hammill & Co., New York.

Sire Plan of Normandy Isle, Inc. (5/31-6/3)
March 9 filed $225,000 of 10-year 7% debentures and 4,500 shares of $3.50 cumulative, non-callable, participating preferred stock (par $5), to be offered in units, each unit consisting of one $50 debenture and one preferred share. **Price**—$100 per unit. **Proceeds** — To finance acquisition. **Office**—Ingraham Bldg., Miami, Fla. **Underwriter**—Sire Plan Portfolios, Inc., New York.

Skyline Homes, Inc.
April 15 filed 115,000 shares of class A common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's working capital and used for general corporate purposes. **Office**—2520 By-Pass Road., Elkhart, Ind. **Underwriter**—Rodman & Renshaw, Chicago, Ill. **Offering**—Expected in mid-June.

Sottile, Inc. (Formerly South Dade Farms, Inc.)
July 29 filed 2,000,000 shares of common stock (par $1), of which 1,543,000 shares are to be issued and sold for the account of the company, and 457,000 shares, representing outstanding stock, to be sold for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To retire 70% of the common stock outstanding at the date of the stock offering; to invest in the capital stocks of six of the company's seven bank subsidiaries; to repay a bank loan of $6,400,000; to add to working capital; to retire certain long-term indebtedness; and to develop citrus groves. **Office**—250 South East First Street, Miami, Fla. **Underwriter**—Bear, Stearns & Co., New York. **Offering**—Indefinite.

Southern Electric Generating Co. (6/2)
April 25 filed $40,000,000 of first mortgage bonds, series of 1960 due June 1, 1992. **Proceeds**—For capital expenditures. **Office**—600 North 18th Street, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., and Blyth & Co., Inc. (jointly); Morgan Stanley & Co.; White, Weld & Co. and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co.; Equitable Securities Corp. and Drexel & Co. (jointly). **Information Meeting**—Scheduled for May 31, 1960, at the First National City Bank of New York, 5th floor, 20 Exchange Place, New York City at 3:00 p.m. (EDST). **Bids**—Expected to be received on June 2, or subsequently on such day and time as shall be designated by the company by telegraphic notice to prospective bidders. Bids are to be presented at room 1600, 250 Park Avenue, New York City.

★ Southern Union Gas Co.
May 24 filed $12,000,000 of sinking fund debentures, due 1985. **Price**—To be supplied by amendment. **Proceeds**—To be applied in part to the repayment of $4,000,000 of bank borrowings for construction purposes, and the balance will be used for further construction expenditures in 1960. **Office**—Fidelity Union Tower, Dallas, Texas. **Underwriters**—A. C. Allyn & Company, Incorporated, New York and Chicago, and Snow, Sweeney & Co., Inc., New York. **Offering**—Expected in late June.

● Southwest Forest Industries, Inc. (6/2)
Jan. 29 filed $12,000,000 of 6½% subordinated income debentures, due Jan. 1, 1985 and 420,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Proceeds**—For working capital and the construction of new plant. **Office** — 444 First National Bank Building, Phoenix, Ariz. **Underwriter** — White, Weld & Co., New York City.

Southwest Indemnity & Life Insurance Co. (6/1)
Mar. 29 filed 238,590 shares of common stock (no par). The company proposes to offer this stock for subscription by common stockholders of record May 1, 1960, at the rate of one new share for each 2½ shares then held. Unsubscribed shares will be offered to certain persons, some of whom are directors and stockholders of the company, together with stock purchase warrants for 23,859 shares, for purchase for investment. **Price**—To be supplied by amendment. **Proceeds**—To be used for the company's general insurance business, thus enabling the company to acquire additional reinsurance agreements with other insurance companies, service such agreements and meet legal reserve requirements with respect to additional insurance in force thus acquired. **Office**—2013 Cedar Springs, Dallas, Tex. **Underwriter**—None.

Southwestern Oil Producers, Inc.
March 23 filed 700,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West Mockingbird Lane, Dallas. **Underwriter** — Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.

(A. G.) Spalding & Bros. Inc. (6/7)
May 2 filed 85,484 shares of common stock, to be offered for subscription on the basis of one new share for each 10 shares held of record June 7, 1960. **Price**—$20 per share. The Pyramid Rubber Co., the largest individual stockholder, owning 178,978 shares, has agreed to purchase at the offering price within five days after the expiration of the subscription offer (June 24, 1960), all of the stock not sold to the company's stockholders. Pyramid Rubber may within 30 days thereafter resell for investment at the offering price some of the stock it shall acquire to other persons (not exceeding 15) who may be stockholders, officers or directors of the company. **Office**—Chicopee, Mass. **Underwriter**—None.

● Speed-Way Food Stores Inc. (6/6-10)
April 27 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—847 E. New York Avenue, Brooklyn, N. Y. **Underwriter** — J. J. Krieger & Co., Inc., New York, N. Y.

● Spring Street Capital Co.
March 1 filed 3,000 shares of common stock (par $100) to be offered in units of five shares at $1,000 per share. **Proceeds**—For loans to and the purchase of securities of certain business concerns. It may also use a portion of the proceeds to pay the costs and expenditures incidental to its operatons until such time as it has an income from its loans and investments. **Office**—650 South Spring St., Los Angeles, Calif. **Underwriter**—William R. Staats & Co., Los Angeles, Calif. **Offering**—Imminent.

★ Standard Carriage Works, Inc.
May 5 (letter of notification) 100,000 shares of 6% convertible preferred stock. **Price**—At par ($3 per share). **Proceeds**—To purchase machinery, inventory and for working capital. **Office**—4120 E. Bandini Boulevard, Los Angeles 23, Calif. **Underwriter**—John J. Keenan & Co. Inc., Los Angeles, Calif.

Stelma, Inc. (6/27-7/1)
May 10 filed 175,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — Stamford, Conn. **Underwriter**—Amos Treat & Co. Inc., New York City.

Super Food Services, Inc.
May 10 filed 60,000 preferred shares-convertible series ($1.50 annual cumulative dividend), $1 par. The company proposes to sell 50,000 shares through a group of underwriters headed by Wm. H. Tegtmeyer & Co., Chicago, Ill. on a firm commitment basis; and by a pre-offering subscription Central Securities Corp. has conditionally agreed to purchase 10,000 such shares. **Price**—$25 per share for public offering. **Proceeds**—To provide the funds to exercise an option to purchase 72,600 of the 113,003 issued and outstanding shares of common of Progressive Wholesale Grocery Co., at a maximum aggregate price of $1,333,333. **Office**—Chicago, Ill.

Swimming Pool Development Co., Inc. (5/31-6/3)
April 15 filed 250,000 shares of common stock (par $1). **Price** — $5 per share. **Proceeds** — Principally for additional working capital. **Office**—Florence, Ala. **Underwriter**—Marron, Sloss & Co., Inc., New York.

★ Talcott (James) Inc. (6/20-24)
May 19 filed $20,000,000 of senior notes, due June 1, 1980 and 150,000 shares of common stock (par $9). **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general funds and be available for general corporate purposes. **Office**—225 Park Ave., South, New York. **Underwriters**—F. Eberstadt & Co. and White, Weld & Co., both of New York.

★ Tampa Electric Co. (6/28)
May 19 filed $25,000,000 of first mortgage bonds, series due July 1, 1990. **Proceeds**—To be used to pay some $24,000,000 of bank loans and for 1960 construction expenditures. **Office**—111 North Dale Mabry Hwy., Tampa, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Goldman, Sachs & Co. **Bids**—Expected to be received up to 11 a.m. on June 28.

Telecomputing Corp. (5/31-6/3)
April 11 filed 100,000 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** — To selling stockholder. **Office** — 915 North Citrus Ave., Los Angeles, Calif. **Underwriter** — Dean Witter & Co., New York City and Los Angeles.

● Telectro Industries Corp. (5/27)
March 21 filed $1,000,000 of 6½% convertible subordinate debentures due 1970. **Price** — 100% of principal amount. **Proceeds**—To be used to eliminate an outstanding bank loan of $700,000 and to provide additional working capital, to be used in part to reduce outstanding accounts payable. **Office**—35-16 37th Street, Long Island City, N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., N. Y. C.

Teleregister Corp. (5/31-6/3)
March 30 filed $6,000,000 of 6% subordinated sinking fund debentures, due May 1980 (with attached warrants) and 240,000 shares of common stock (no par). These securities are to be offered for sale in units, each consisting of a $1,000 debenture (with 5-year warrants to purchase 20 common shares initially at $15 per share) and 40 shares of common stock. **Price** — To be supplied by amendment. **Proceeds**—For repayment of current credit agreement with bank and the balance will be applied to the company's construction program. **Office**—445 Fairfield Ave., Stamford, Conn. **Underwriters** — Ladenburg, Thalmann & Co., Bear, Stearns & Co. and Sutro Bros., all of New York.

Texas Capital Corp.
May 4 filed 350,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To be used to provide investment capital and management services to small business concerns. **Office**—705 Lamar Blvd., Austin, Texas. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo. **Offering**—Expected sometime in June.

● Texas Eastern Transmission Corp.
April 11 filed $25,000,000 of debentures, due 1980. **Price**—To be supplied by amendment. **Proceeds**—For the reduction of indebtedness and for construction expenses. **Office**—Houston, Texas. **Underwriter**—Dillon, Read & Co., Inc., New York City. **Note**—This offering has been indefinitely postponed.

● Thermal Industries of Florida, Inc. (5/31-6/3)
Feb. 26 filed 120,000 shares of common stock (par $1). **Price**—$6 per share. **Proceeds**—To be added to the company's general reserves. **Office**—Miami, Fla. **Underwriter**—Peter Morgan & Co., New York.

● Thurow Electronics, Inc. (6/15)
March 28 filed 200,000 shares of class A common stock, (par $2.50) of which 100,000 shares are to be offered for public sale by the issuing company and the balance by H. M. Carpenter, President. **Price**—$3 per share. **Proceeds**—To be used as additional working capital for inventory and business expansion purposes. **Office**—121 South Water, Tampa, Fla. **Underwriter**—Donald V. Stabell, of St. Petersburg, Fla.

Three-L-Corp.
March 24 filed 3,500,000 shares of common stock. **Price**—$1 per share. Proceeds—$46,098 will be applied to the acquisition of 493 acreas of land in Fairfield Township, Hyde County, and $15,000 for payment of the July instalment on acquisition of about 12,726 acres in Hyde County; $500,000 for purchase and installation of machinery, equipment and saw mill and $75,000 for working capital in connection with lumber operations; $65,000 for January 1961 instalment payment on the 12,726 acres; and the balance to purchase livestock, planting feed and pasture, raising livestock, and additional working capital. **Office**—Fairfield, N. C. **Underwriter**—Participating dealers will receive 15 cents per share.

Tourist Industry Development Corp.
March 22 filed $2,250,000 of 7% subordinated debenture stock, due July 1, 1978, to be offered in denominations of $500 and $1,000 and multiples of $1,000. **Price**—At 100% of principal amount. **Proceeds**—For general corporate purposes, including hotel and restaurant loans secured by real estate mortgages. **Office**—Jerusalem, Israel. **Underwriter**—None.

Trans Tech Systems, Inc. (6/27-7/1)
March 29 filed 65,000 shares of common stock (par one cent). **Price**—$10 per share. **Proceeds**—For general corporate purposes. **Office** — 5505 Wilshire Blvd., Los Angeles 48, Calif. **Underwriter**—Myron A. Lomasney & Co., New York.

Tri-Point Plastics, Inc.
March 15 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—175 I. U. Wil-

lets Road, Albertson, L. I., N. Y. **Underwriter**—Martinelli, Hindley & Co., Inc., New York, N. Y.

● Triumph Storecrafters Corp. (6/27-7/1)
May 18 filed 145,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Houston, Texas. **Underwriters**—Hardy & Hardy, New York City, and First Southeastern Co., Atlanta, Ga.

Underwriters National Assurance Co.
May 12 filed 240,000 shares of common capital stock. **Price**—$7.50 per share. **Proceeds**—For general corporate purposes, including payment of operating expenses, the carrying on of the insurance business, and for working capital (and including $50,000 which will be certified to State authorities for investigation and examination by it to procure the certificate of authority to transact insurance business). **Office**—1939 North Meridian St., Indianapolis, Ind. **Underwriter**—David L. Johnson & Associates, Inc., Indianapolis, Ind.

United Components, Inc.
March 2 filed 110,000 shares of common stock, of which 10,000 shares are to be offered to Sheldon Leighton, a director, at $2.50 per share and the remainder is to be publicly offered. **Price**—To be supplied by amendment. **Proceeds** — For new equipment, advertising, and other general corporate purposes. **Office**—Orange, N. J. **Underwriter**—Darius, Inc., New York City.

United Financial Corp. of California (5/31-6/3)
March 30 filed $6,000,000 of convertible subordinated debentures due April 1, 1975, and 120,000 shares of capital stock, to be offered in units of $100 of debentures and two capital shares. **Price**—To be supplied by amendment. **Proceeds**—Approximately $1,000,000 will be used for general corporate purposes, and the balance will be distributed to holders of the capital stock prior to the issuance and sale of the units. **Office**—425 South La Brea Avenue, Inglewood, Calif. **Underwriter**—Lehman Brothers, New York City.

● United States Boat Corp. (6/6-10)
March 28 filed 350,000 shares of common stock to be publicly offered. **Price**—$2 per share. **Proceeds**—$221,826 will be applied to the repayment of loans to United States Pool Corp. which were used for general corporate purposes, and the balance will be utilized for working capital, including a later repayment of $45,000 to U. S. Pool Corp. **Office** — 27 Haynes Avenue, Newark, N. J. **Underwriter**—Richard Bruce & Co., Inc., New York.

Universal Marion Corp.
April 15 filed 435,120 shares of common stock, to be offered for subscription by common stockholders at the rate of one new share for each four shares or fraction thereof. The record date is to be supplied by amendment. Common stock has no par value. **Price** — To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and be available for use in developing the company's tract of land near Tampa, Fla., for working capital and for possible acquisition of other properties. **Office** — 602 Florida Theatre Bldg., Jacksonville, Fla. **Underwriter**—None.

Universal Marion Corp.
March 29 filed 31,361 shares of 4½% cumulative preferred stock ($100 par). **Price**—To be offered for sale in the over-the-counter market, or otherwise by public or private sale at $95 per share, or such lesser price or prices which may be obtained. **Proceeds**—To selling stockholders. **Office**—602 Florida Theater Bldg., Jacksonville, Fla. **Underwriter**—None.

Uranium Reduction Co. (5/31-6/3)
March 31 filed 200,000 outstanding shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds** — To selling stockholders. **Office** — 557 First Security Bldg., Salt Lake City, Utah. **Underwriter**—A. C. Allyn & Co., Inc., Chicago, Ill.

★ Varian Associates
May 24 filed 216,645 shares of capital stock to be offered for subscription by stockholders of record July 14, at the rate of one new share for each 15 shares held. **Price** — To be supplied by amendment. **Proceeds** — For construction, new machinery, the retirement of outstanding bank loans, and the balance for working capital. **Office**—Palo Alto, Calif. **Underwriter**—Dean Witter & Co., San Francisco, Calif.

● Vector Manufacturing Co., Inc. (5/31-6/3)
April 14 filed 250,000 shares of common stock (no par). Of this stock, 100,000 shares are to be offered for public sale by the issuing company and 150,000 shares, now outstanding, by the holders thereof. **Price**—To be supplied by amendment. **Proceeds** — For expansion. **Office** — Southampton, Pa. **Underwriter**—Paine, Webber, Jackson & Curtis, New York.

★ Video Tape Unlimited, Inc.
May 19 (letter of notification) 2,265 shares of class A capital stock (non-voting) (par $1); 2,265 shares of class B capital stock (voting) (par $1) and $100,000 of subordinated debentures (non-convertible) 6% to be offered in denominations of $100 due April 30, 1966. **Price**—For stock, (both classes) $4 per share; for debentures, $100 per debenture. **Proceeds**—For general corporate purposes. **Office** — 444 E. 57th Street, New York, N. Y. **Underwriter**—None.

● Viewlex, Inc. (5/31-6/3)
April 12 filed 200,000 shares of class A common stock (par 25 cents). The offering will include 175,000 shares to be issued by the company and 25,000 shares which are outstanding and will be offered for the account of the holders thereof. **Price**—$4 per share. **Proceeds**—$100,000 will be used to purchase additional high speed automatic production equipment; $150,000 for research and development of new products; $75,000 to be reserved to cover the costs of moving present facilities into new and enlarged quarters; and the balance for working capital. **Office** — 35-01 Queens Blvd., Long Island City, N. Y. **Underwriter**—Stanley Heller & Co., New York.

● Vulcatron Corp. (6/10)
March 11 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—To set up a plant and equipment, to purchase machinery and equipment, and for working capital. **Office**—c/o William L. Berger, 209 Washington St., Boston, Mass. **Underwriter**—P. de Rensis & Co., Inc., Boston, Mass.

Waltham Watch Co.
March 30 filed $1,500,000 of 7% sinking fund subordinated debentures series A due April 30, 1975, with five-year common stock purchase warrants attached, and 275,000 shares of common stock (par 50 cents). A $1,000 debenture with warrants for the purchase of 50 common shares at an initial exercise price of $3.50 per share, will be offered for sale at $1,000; a total of 75,000 shares being reserved for issuance upon exercise of the warrants. The additional 200,000 shares of common stock will be offered for subscription at $3.50 per share. The offer is being made first to stockholders of record on May 2, 1960, for a period of 30 days. Thereafter the unsubscribed debentures and stock will be offered to the public. **Proceeds**—For working capital. **Office** — 231 South Jefferson St., Chicago, Ill. **Underwriter**—None.

Waltham Precision Instrument Co., Inc. (5/31-6/3)
April 15 filed 700,000 shares of common stock (par $1). It is proposed that this offering will be on a subscription basis to the company's present common stockholders. **Price**—To be supplied by amendment. **Proceds**—$600,000 to pay the balance of the purchase price for Boesch Manufacturing Co., Inc. stock; $350,000 to pay the 5% chattel mortgage note held by the Secretary of the U. S. Treasury as assignee of the Reconstruction Finance Corp.; $200,000 to pay the 6% secured notes issued as part payment for the stock of Electro-Mec Laboratory, Inc.; and the balance for working capital and other corporate purposes. **Office**—221 Crescent St., Waltham, Mass. **Underwriter**—Schweickart & Co., New York.

Wallace Properties, Inc. (5/31-6/3)
April 5 filed $12,000,000 principal amount of 6% convertible subordinated debentures, due June 1, 1975 and 360,000 shares of common stock (par $2), to be offered only in units, each consisting of $100 principal amount of debentures and three shares of common stock. **Price**—To be supplied by amendment. **Office**—Dallas, Texas. **Underwriter**—Harriman Ripley & Co., Inc., New York.

Warren Industries, Inc. (6/13-20)
April 29 filed 275,000 shares of common stock (par $1), of which 175,000 shares are to be issued and sold by the company and 100,000 shares which are outstanding and will be offered for the account of the holders thereof. **Price**—$3 per share. **Proceeds**—$50,000 to purchase new equipment; $25,000 for research and development; $25,000 for advertising and promotion; $200,000 to acquire and open new facilities; $23,649 for payment of notes to stockholders, and $78,100 for working capital. **Office**—3701 N. W. 51st St., Miami, Fla. **Underwriter**—Merritt, Vickers, Inc., of New York City.

Washington Gas Light Co. (6/7)
May 12 filed $12,000,000 of refunding mortgage bonds, series due June 15, 1985. **Proceeds**—To be added to the company's general funds and applied in part to the company's 1960 construction program and to the retirement of $5,305,000 of long-term debt. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Equitable Securities Corp. **Information Meeting**—Scheduled for June 3 in Room 238, 43 Exchange Place, New York, at 11 a.m. (EDT). **Bids**—Expected to be received up to 11:30 a.m. (EDT) on June 7, Room 1106, 1100 H Street, N.W., Washington, D. C.

● Wells Industries Corp.
Jan. 29 filed 300,000 shares of common stock and warrants for the purchase of an additional 100,000 shares. **Price** — To be supplied by amendment. **Proceeds** — $350,876 will be used to retire certain debts, with the remainder to be used for construction, equipment, and working capital. **Office**—6505 Wilshire Boulevard, Los Angeles, Calif **Underwriter**—A. T. Brod & Co., New York City. **Note**—The underwriter states that this issue has been withdrawn.

★ West Coast Grocery Co.
May 9 (letter of notification) $50,000 of 10-year 6% debentures to be offered to employees of the company in denominations of $1,000, $100, $60, $50 and $20 each. Debentures are convertible into common stock after five years from date of issuance at 75% of the book value set forth in the debenture formula. **Prices**—At par. **Proceeds**—To strengthen capital position and to lessen borrowings from banks. **Office**—1525 East D. S., Tacoma, Wash. **Underwriter**—None.

★ West Ohio Gas Co.
May 19 filed 43,048 shares of common stock. The company proposes to offer this stock for subscription by its common stockholders of record June 6, 1960, at the rate of one new share for each 10 shares then held. **Price**—$17.50 per share. **Proceeds**—To be added to the company's general funds and will be used for property additions and improvements. An additional $300,000 is to be provided through long term financing during the current year. **Office**—319 West Market St., Lima, Ohio. **Underwriter**—None.

Westmore, Inc. (6/13-20)
May 9 (letter of notification) 150,000 shares of common stock (par $2). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—137 South Ave., Fanwood, N. J. **Underwriter**—Jacey Securities Co., New York, N. Y.

★ Wheeler Fibre Glass Boat Corp.
May 19 filed 100,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—$35,000 for purchase of machinery and equipment; $18,000 for required deposits on the company's lease, insurance and utilities; $185,000 for working capital and the balance for expansion of production facilities. **Office**—450 Zerega Avenue, Bronx, N. Y. **Underwriter**—Morris Cohon & Company, of New York. **Offering**—Expected in late June.

Whitmoyer Laboratories, Inc. (6/13-17)
Jan. 28 filed 85,000 shares of common stock and $500,000 of 6% subordinated debentures, due 1977, with warrants for the purchase of 10,000 additional common shares at $5 per share. **Price** — For the debentures, 100% of principal amount; for the 85,000 common shares, $6 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness, sales promotion, and equipment. **Office**—Myerstown, Pa. **Underwriter**—Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia, Pa.

● Willer Color Television System, Inc.
Jan. 29 (letter of notification) 86,403 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co., 39 Broadway, New York City. **Offering**—Expected in June.

● Win-Chek Industries, Inc. (6/27-7/1)
April 26 filed 150,000 shares of class A stock to be publicly offered, 15,000 shares to be issued pursuant to a restricted stock option plan, and 21,500 shares being registered but not offered at this time. **Price**—$3 per share (par 25 cents). **Proceeds**—To purchase additional inventory and equipment and the balance to improve the company's working capital position. **Office** — Moonachie, N. J. **Underwriter**—Michael G. Kletz & Co. (managing).

Witco Chemical Co.
May 4 filed $8,000,000 of sinking fund debentures due 1980. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and used for general corporate purposes. **Office**—New York, N. Y. **Underwriters**—Smith, Barney & Co. Inc. and Goldman, Sachs & Co., both of New York. **Offering**—Expected in early June.

WonderBowl, Inc.
April 14 filed 3,401,351 shares of common stock (par $2). **Price**—$2 per share. **Proceeds**—For purchase of certain property, for constructing a motel on said property and various leasehold improvements on the property. **Office**—7805 Sunset Boulevard, Los Angeles, Calif. **Underwriter**—Standard Securities Corp., same address.

Yuscaran Mining Co.
May 6 filed 1,000,000 shares of common stock. **Price**— $1 per share. **Proceeds**—It is expected that some $100,000 will be used to purchase and install a mill for the processing of ore; $60,000 for rails, ties, rail cars and related equipment; $10,000 for rebuilding roads; $30,000 for transportation equipment; and $655,000 for working capital. **Office**—6815 Tordera St., Coral Gables, Fla. **Underwriter**—None.

● Yale Express System, Inc. (6/6-10)
March 25 filed 300,000 shares of class A stock (par 25 cents) of which 150,000 shares are to be offered for public sale by the issuing company and the balance by the company's board chairman. **Price** — $5.50 per share. **Proceeds**—$400,000 to restore working capital expended to acquire American Freight Forwarding Corp. and for expansion of the freight forwarder operation; $150,000 to restore funds advanced in connection with the terminal recently constructed in North Bergen, N. J. and the balance for expansion and improvement. **Office**—460 12th Avenue, New York. **Underwriter**—Michael G. Kletz & Co., Inc., New York.

★ Yardley Water Co.
May 11 (letter of notification) 4,000 shares of common stock to be offered for subscription by stockholders on the basis of one share for each three shares held. **Price**—$25 per share. **Proceeds**—To repay a debt, for construction of a pipe line, and for repayment of developers' loans. **Office**—50 W. College Ave., Yardley, Pa. **Underwriter**—None.

Prospective Offerings

Acme Steel Co.
March 25 the company's annual report stated that capital improvements during 1960-63, inclusive, have been projected to cost between $40,000,000 and $45,000,000. It is anticipated that a substantial proportion of this money will be forthcoming from depreciation and retained earnings. In addition, the sale of $10,000,000 of preferred stock in 1960 is planned to supply a part of these overall capital requirements. **Office**—Chicago, Ill.

Atlantic Coast Line RR. (6/8)
Bids will be received by the Road on June 8 for the purchase from it of $4,665,000 of equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

Avnet Electronics Corp.
May 17 it was reported that the company contemplates the filing of about $2,000,000 of convertible debentures sometime in June. **Proceeds**—For expansion and general corporate purposes. **Office**—70 State St., Westbury, L. I., N. Y. **Underwriter**—Hemphill, Noyes & Co., New York.

Central Illinois Electric & Gas Co. (7/12)
Feb. 3 it was reported that about $10,000,000 of 30-year first mortgage bonds will be filed. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., Kidder, Peabody & Co.,

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and White, Weld & Co. (jointly); First Boston Corp., Blair & Co., Merrill Lynch, Pierce, Fenner & Smith Inc. and Stone & Webster Securities Corp. (jointly). **Bids**—Expected to be received on July 12.

Chicago, Burlington & Quincy RR. (6/7)
Bids will be received by the Road on June 7 for the purchase from it of $2,550,000 of equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

City Gas Co.
March 10 it was reported that this company is expected to file an undetermined amount of common stock sometime in June. **Underwriter**—Kidder, Peabody & Co., New York City.

Consolidated Edison Co.
May 15 it was indicated by H. C. Forbes, Chairman, at the annual meeting of stockholders, that common stockholders may get rights to subscribe to convertible debentures or common stock in the Fall. This type of financing would be contingent upon the ability of the company to get its presently outstanding 4% debentures converted into common stock. Con Edison this year will spend about $225,000,000 on new construction compared with $222,000,000 in 1959 and $189,000,000 in 1958. For the five years through 1964, Mr. Forbes estimated that the utility would spend $1.2 billion for plant expansion. To finance the five-year program he said the company will have to issue some $800 million of securities of one kind or another.

Consolidated Research & Mfg. Corp.
Dec. 16 it was reported that this firm, founded last August as a Delaware corporation, plans its first public financing in the form of a common stock offering scheduled for next spring. **Business**—The company produes spray containers to combat ice, snow, and fog. **Proceeds**—For expansion. **Office**—1184 Chapel St., New Haven, Conn. **President**—Marvin Botwick.

Consumers Power Co. (7/26)
April 29 the company asked the Michigan Public Service Commission for permission to issue and sell securities with base value of $73,101,600. The company proposes to issue and sell first mortgage bonds in the amount of $35,000,000 maturing not earlier than 1990 for the best price obtainable but not less favorable to the company than a 5¼% basis. The mortgage bonds are expected in the last quarter of the year. It also proposes to issue and sell convertible debentures in amount of $38,101,600 maturing not earlier than 1975 at a price not less favorable to the company than a 5¼% basis. These debentures are to be offered to the company's common share owners of record July 26 for subscription on the basis of $100 principal amount of debentures for each 25 shares of common stock held with rights to expire on Aug. 12. **Proceeds** — To be used to finance the continuing expansion and improvement of the company's electric and gas service facilities in a 65-county area outside of Greater Detroit. **Underwriter** — To be determined by competitive bidding. Probable bidders: For bonds — Halsey, Stuart & Co. Inc.; White, Weld & Co., and Shields & Co. (jointly); Morgan Stanley & Co.; The First Boston Corp., and Harriman Ripley & Co., Inc. For debentures—Morgan Stanley & Co.

Deckert Dynamics, Inc.
March 16 it was announced that 100,000 shares of common stock are expected to be filed in early June. **Proceeds** — For general corporate purposes. **Office** — Palmyra, Pa. **Underwriter**—Plymouth Securities Corp., New York City.

El Paso Electric Co.
May 16 the Federal Power Commission authorized the company to issue 185,088 new shares of common stock and to reclassify 1,989,673 outstanding $5 par shares to no par value. The new stock, to be issued at no par value, will be distributed to common stockholders as a dividend or sold to employees under a company purchase plan. Of the total, 132,644 shares of the new stock will be distributed as a dividend on the basis of one new share for each 15 shares held. However, no fractional shares will be issued. A total of 52,333 of the new shares will be sold to employees, with proceeds going for construction expenditures.

Florida Power Corp.
March 10 it was reported that $25,000,000 of first mortgage bonds will be sold by this utility, possibly in the fourth quarter of this year. **Proceeds** — For new construction and repayment of bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); First Boston Corp.; Eastman Dillon, Union Securities & Co. and Harriman Ripley & Co. (jointly); Lehman Brothers and Blyth & Co. (jointly).

Ford Motor Credit Co.
March 28 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur later this year. **Office**—Detroit, Mich.

Georgia Power Co. (11/3)
Dec. 9 it was announced that the company plans registration of $12,000,000 of 30-year first mortgage bonds with the SEC. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly); Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); The First Boston Corp. **Registration**—Scheduled for Sept. 26. **Bids**—Expected to be received on Nov. 3. **Information Meeting**—Scheduled for Oct. 31.

Gulf Power Co. (7/7)
Dec. 9 it was announced that the company plans registration with the SEC of $5,000,000 first mortgage 30-year bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler, and Drexel & Co. (jointly); Eastman Dillon, Union Securities & Co. **Information Meeting**—Scheduled for July 5, 1960. **Bids**—Expected to be received on July 7. **Registration** — Scheduled for June 3.

Gulf Power Co. (7/7)
Dec. 9 it was announced that the company plans registration of 50,000 shares of preferred stock (par $100). **Underwriter**—To be determined by competitive bidding. Probable bidders: Harriman Ripley & Co.; Eastman Dillon, Union Securities & Co., and Salomon Bros. & Hutzler (jointly); Equitable Securities Corp.; Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Information Meeting**—Scheduled for July 5, 1960. **Bids**—Expected to be received on July 7. **Registration**—Scheduled for June 3.

Gulf States Utilities Co. (6/27)
April 19 it was reported that the company will issue and sell $17,000,000 of 1st mtge bonds due 1990. **Underwriter**—To be determined by competitive bidding. Probable bidders Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers. **Proceeds**—To pay short-term construction loans and for expansion purposes. **Bids**—Expected to be received on June 27 at 12 noon EDT. **Information Meeting**—Scheduled for June 15 at 10:30 a.m.

Hayes Aircraft Corp.
Feb. 12 it was reported that an issue of convertible debentures is being discussed and may occur in the next few months. **Office**—Birmingham, Ala. **Possible Underwriter**—Sterne, Agee & Leach, Birmingham, Ala.

Houston Lighting & Power Co.
March 22 it was announced in the company's annual report that it anticipates approximately $35 million in new money will be required in 1960 to support the year's construction program, and to repay outstanding bank loans. Studies to determine the nature and timing of the issuance of additional securities are presently under way. Last August's offering of $25,000,000 of 4⅞% first mortgage bonds was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler. **Office** — Electric Building, Houston, Texas.

★ **Hydrometals, Inc.**
May 25 it was reported that the company plans to file a rights offering of $2 million to $2½ million of convertible debentures. **Office** — Chrysler Bldg., New York. **Proceeds** — For working capital. **Underwriter** — H. M. Byllesby & Co., Inc., Chicago, Ill.

● **Idaho Power Co.**
March 30 it was reported that the company plans to issue and sell $15,000,000 of 1st mortgage bonds due 1990 sometime in the fall. **Proceeds**—For capital expenditures, etc. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., Lazard Freres & Co. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp.

Illinois Bell Telephone Co. (7/6)
April 29 it was reported that the company plans the issuance and sale of about $50,000,000 of first mortgage bonds, maturity of which has not been set. **Proceeds**—For construction purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Glore, Forgan & Co. and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received on July 6 up to 11 a.m. (EDST)

Indianapolis Power & Light Co. (9/27)
April 18 it was reported that the company will issue and sell $12,000,000 of 30-year first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Goldman, Sachs & Co., and The First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co.; White, Weld & Co., and Shields & Co. (jointly); Blyth & Co., Inc.; Equitable Securities Corp. **Bids**—Expected to be received up to 11 a.m. New York Time on Sept. 27. **Information Meeting**—Scheduled for Sept. 22 at 11:00 a.m.

Iowa Electric Light & Power Co.
March 11 President Sutherland Dows stated that bonds would be sold in order to supplement money to be obtained from temporary bank loans, to acquire the $10,000,000 required to finance 1960 construction. **Office**—Cedar Rapids, Iowa.

K.V.P. Sutherland Paper Co.
May 11 it was reported that a secondary offering of common stock is presently being discussed. **Proceeds**—To selling stockholders. **Underwriter** — Lehman Brothers, New York.

Laclede Gas Co. (7/14)
May 11 it was reported that a rights offering of $5,000,000 of common stock is contemplated, on the basis of one new share for each 14 shares held. **Underwriters**—Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York, and Reinholdt & Gardner, St. Louis, Mo.

Laclede Gas Co. (7/11)
May 11 it was reported that the company contemplates the issuance and sale of $10,000,000 of 25-year first mortgage bonds. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Lehman Bros., Merrill Lynch, Pierce, Fenner & Smith Inc. and Reinholdt & Gardner (jointly); Eastman Dillon, Union Securities & Co. **Bids**—Expected to be received up to 11:00 a.m. (EDST) on July 11.

Lee Filter Corp.
May 9 it was reported that this company plans the filing of 10,000 shares of its common stock. **Price**—To be supplied by amendment. **Proceeds**—For expansion of business. **Office**—Edison, N. J. **Registration**—Imminent. **Underwriter**—Myron A. Lomasney & Co., New York.

Louisville Gas & Electric Co. (10/18)
April 27 it was reported that this company plans the issuance and sale of $16,000,000 of first mortgage bonds. **Proceeds**—For construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Lehman Brothers and Blyth & Co., Inc. (jointly); Kuhn, Loeb & Co., American Securities Corp. and Wood, Struthers & Co. (jointly); Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly); Kidder, Peabody & Co. and Goldman, Sachs & Co. (jointly). **Bids**—Expected to be received on Oct. 18.

Mac Panel Co.
March 23 it was reported that negotiations are still pending regarding the filing of an issue of common stock. **Office**—High Point, N. C. **Underwriter**—Bache & Co., New York City and Charlotte, N. C.

★ **Mercantile Discount Co. of Chicago**
May 25 it was reported that this company plans the filing of 128,000 shares of its common stock. **Office**—Chicago, Ill. **Proceeds**—For working capital. **Underwriters**—H. M. Byllesby & Co., Inc. and Rodman & Renshaw, both of Chicago, Ill.

★ **Michigan Bell Telephone Co. (8/23)**
May 23 it was announced that the company plans to come to market in August for the sale of $35,000,000 of debentures. **Proceeds**—For construction, costs of which are currently about $103,000,000 per year. **Office**—Detroit, Mich. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.

Midland Enterprises Inc.
April 8 it was stated in the company's annual report that it contemplates the issuance on or before March 31, 1961 of a bond issue in an aggregate amount not to exceed $4,000,000. **Proceeds** — To finance river transportation equipment presently on order and expected to be ordered. **Office**—Cincinnati, Ohio.

● **Mohawk Insurance Co.**
March 16 it was announced that the company expects to register its first public offering in June. The offering will consist of 75,000 common shares. **Price**—To be supplied by amendment. **Proceeds**—For expansion. **Office**—198 Broadway, New York City. **Underwriter** — R. F. Dowd & Co., Inc., 38 Broadway, New York City.

Nedick's Stores, Inc.
Nov. 12 it was reported that the company is contemplating the placing in registration of 17,000 shares of common stock. About 66% of the issue will be sold for the company's account and the remaining 34% balance will be sold for the account of a selling stockholder. **Underwriter**—Van Alstyne, Noel & Co., New York.

Northern Illinois Gas Co. (7/13)
Feb. 16 the company's annual report stated that $120,000,000 of new capital will be needed to meet its five-year construction program. April 5 it was announced that the company will sell $25,000,000 of first mortgage bonds. **Proceeds**—To finance a portion of the 1960-1964 construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: A Halsey Stuart & Co. Inc. group. **Bids** — To be received on July 13, up to 11:00 a.m. EDT.

Northern States Power Co. (Minn.) (12/6)
May 11 it was reported that the company plans the issuance and sale of $35,000,000 of 30-year first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co. and White, Weld & Co. (jointly); The First Boston Corp. and Blyth & Co., Inc. (jointly); Lehman Brothers and Riter & Co. (jointly); Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received by Dec. 6.

Norwalk Co.
March 30 it was reported that the company plans to file an undetermined amount of common stock sometime soon. **Proceeds** — For expansion of business and general corporate purposes. **Office**—Norwalk, Conn. **Underwriter**—Myron A. Lomasney & Co., New York.

Orange & Rockland Utilities, Inc.
April 18 it was stated that the company presently expects that such part of its construction program through 1962 and the refunding of $6,442,000 series B bonds maturing in 1961 as is not financed by the sale of the company's 39,165 shares of its convertible cumulative preferred stock, series E, 5% (par $100) will be financed from the proceeds of sale in 1961, subject to market conditions, of $10,000,000 of its first mortgage bonds, from depreciation and retained earnings and, to the extent of any remaining balance, from the proceeds of additional short-term borrowings.

Pacific Power & Light Co.
Jan. 29 it was announced that the company plans to issue at least $20,000,000 of securities, the date and form of which will be announced at a later date. **Proceeds**—To

retire $20,000,000 of unsecured promissory notes, to mature on or prior to July 31, 1961. The notes will be issued to finance part of the issuer's 1960-61 construction expenditures, which are expected to total about $61,000,000. **Office**—Portland, Ore.

Panhandle Eastern Pipe Line Co.
April 19 it was reported that this company might sell about $65,000,000 of debentures, possibly in the third quarter of this year. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc. and Peabody & Co., both of New York.

Potomac Electric Power Co.
March 21 it was stated in the company's annual report it is anticipated that their 1960 construction program will amount to $39 million and there will be further financing of about $15 million of an as yet undetermined type. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Dillon, Read & Co. and Johnston, Lemon & Co. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers and Eastman Dillon & Union Securities & Co. and Stone & Webster Securities Corp. (jointly).

Public Service Co. of New Hampshire
April 4 it was stated in the company's annual report that short-term borrowings will increase progressively during 1960 until further permanent financing is undertaken later in the year. The timing, type, and amount of this financing has not been determined.

• **Public Service Electric & Gas Co. (9/20)**
May 18 directors of this company took preliminary steps for the sale of $50,000,000 in first and refunding mortgage bonds with a maturity of not more than 30 years. **Proceeds** — To pay all or part of company's short-term indebtedness incurred for construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Kuhn, Loeb & Co., and Lehman Brothers (jointly). **Bids**—Expected to be received on Sept. 20 up to 11 a.m. **Information Meeting** — Scheduled for Sept. 15 at 11:00 a.m. in New York.

Rochester Gas & Electric Corp.
March 1 it was stated in the company's annual report that the company has filed an application with the New York State Public Service Commission for the right to issue $10,000,000 of new preferred stock. **Underwriter** —To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp.

San Diego Gas & Electric Co.
April 8 it was reported that $25,000,000 of bonds is expected to be sold sometime in the third quarter of this year. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp., Eastman Dillon, Union Securities & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers and Salomon Bros. & Hutzler (jointly).

(Jos.) Schlitz & Co.
March 11 it was reported that a secondary offering might be made this summer. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc. and Harriman Ripley & Co. Inc., both of New York City.

Sierra Pacific Power Co. (7/6)
April 18 it was reported that this public utility will issue and sell $3,000,000 of bonds, due 1990. **Underwriter** —to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Stone & Webster Securities Corp. and Dean Witter & Co. (jointly). **Bids** —Expected to be received on July 6.

South Carolina Electric & Gas Co.
March 25, S. C. McMeekin, President, informed this paper of plans to sell an undetermined principal amount of bonds, the timing of which will be subject to market conditions. **Proceeds**—To repay bank loans incurred for current construction program. Previous issues have been placed privately.

Southern California Edison Co.
March 15 it was stated in the company's annual report that besides the $30,000,000 issue of series L mortgage bonds sold to underwriters in January, 1960, an additional $55,000,000 to $60,000,000 will be needed to complete its estimated $123,000,000 construction program for 1960. This financing is dependent upon market conditions, and will probably be some type of debt security.

• **Southern Counties Gas Co. (7/26)**
May 16 it was reported that the company contemplates the issuance and sale of approximately $20,000,000 to $25,000,000 of first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; The First Boston Corp.; White, Weld & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—Tentatively expected on July 26.

Southern Natural Gas Co.
April 4 it was stated in the company's annual report that the company expects to provide for the payment of certain outstanding notes through the issuance of first mortgage bonds and other debt securities. The timing of the issue or issues was not stated in the report. **Office** —Birmingham, Ala.

Southwestern Bell Telephone Co. (8/9)
March 28 directors of this company recommended a $100,000,000 debenture issue, subject to approval by regulatory authorities. **Proceeds**—To finance an expansion and improvement program over the next five years. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected to be received on or about Aug. 9.

Steck Co.
May 4 it was reported that the company plans the filing of 60,000 shares of common stock. **Office** — Austin, Texas. **Registration** — Sometime in June. **Underwriter**— Rauscher, Pierce & Co., Inc., Dallas, Texas.

Telephone & Electronics Corp.
It was reported May 18 that a "Reg. A" filing of 52,980 shares of this firm's 25 cent par common stock, constituting the company's initial public financing, is expected shortly. **Office**—7 East 42nd St., New York City. **Underwriter**—Equity Securities Co., 39 Broadway, New York City 6, N. Y.

Tennessee Valley Authority
Jan. 20 announced that, pursuant to August, 1959, authorization from Congress to have $750,000,000 of revenue bonds outstanding at any one time, it plans its first public offering, expected to be about $50,000,000, for sometime in the Fall. May 13 it was announced that about $50,000,000 of additional revenue bonds will be offered in the Spring of 1961. The type of bond issued will depend on market conditions. **Proceeds**—To finance construction of new generating capacity. Power Financing Officer: G. O. Wessenauer. Financial Advisor: Lehman Brothers. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., First National City Bank of New York, Equitable Securities Corp. and Smith, Barney & Co. (jointly); First Boston Corp., Lazard Freres & Co., Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler (jointly); Chase Manhattan Bank and Morgan Guaranty Trust Co. of N. Y. (jointly); and Blyth & Co. and J. C. Bradford & Co. (jointly).

Trans-Canada Pipe Lines Ltd.
April 13 James W. Kerr, President, announced that the company planned to sell $13,000,000 of first mortgage bonds. **Proceeds**—To meet the company's 1960 financial requirements. The company will continue to sell all securities in Canada to the maximum extent considered practical, Mr. Kerr said.

Trans World Airlines, Inc.
April 8 it was announced that the company plans to offer to its stockholders $100,000,000 of subordinated income debentures with detachable common stock purchase warrants, and Hughes Tool Co. (parent) will purchase not only its pro-rata portion ($78,000,000) but also enough of any debentures not taken up by others to provide TWA with at least $100,000,000. **Proceeds** — Together with $190,000,000 proposed private placement which is presently being worked on by this company's bankers, will be used for expansion of the company's jet fleet. **Underwriters**—Dillon, Read & Co., Inc., Lazard Freres & Co., and Lehman Brothers, all of New York.

Union Electric Co.
March 16 it was announced by Dudley Sanford, Executive Vice-President, that the company plans an offering of debt securities in the range of $30,000,000 to $35,-000,000. **Proceeds**—To meet construction expenses. **Office** —315 No. 12th Blvd., St. Louis, Mo. **Offering**—Expected in the latter part of this year.

• **Union Trust Co. of Maryland**
April 21 directors of this bank announced plans to boost its capital stock by 100,000 shares to 500,000 shares, $10 par, by offering for subscription to present holders one new share for each four held. A special meeting of stockholders was held on May 25 to consider the plan. **Price**—To be set shortly before the offering. **Proceeds** —To increase capital and surplus. **Underwriter**—Alex Brown & Sons, Baltimore, Md. **Offering**—Expected in June.

Utah Power & Light Co.
April 12 it was reported that this company will ask stockholders at the annual meeting on May 16, to authorize 2,000,000 shares of $25 par preferred stock, part of which will be sold competitively. The company's quarterly report of April 15 stated that financing in the form of bonds and another as yet undetermined type of security is planned for September of this year. **Proceeds**—For construction purposes and repayment of bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. and First Boston Corp. (jointly); White, Weld & Co.; Stone & Webster Securities Corp. (jointly); Salomon Bros. & Hutzler; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co. and Smith, Barney & Co. (jointly); Lehman Bros.; Bear, Stearns & Co.

Virginia Electric & Power Co. (9/13)
Feb. 5 it was reported that approximately $25,000,000 first mortgage bonds will be offered for sale. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; White, Weld & Co.; Eastman Dillon, Union Securities & Co.; Stone & Webster Securities Corp. **Bids**—Expected to be received on Sept. 13.

Waldbaum, Inc.
May 11 it was reported that public financing is being contemplated by this supermarket chain. No confirmation was obtainable. **Office**—2300 Linden Blvd., Brooklyn, New York.

Winter Park Telephone Co.
May 10 it was announced that this company, during the first quarter of 1961, will issue and sell approximately 30,000 additional shares of its common stock. This stock will be offered on a rights basis to existing stockholders and may or may not be underwritten by one or more securities brokers. **Office**—132 East New England Ave., Winter Park, Fla.

Yardney Electric Corp.
May 9 it was reported that sometime in July this company expects to file an as yet undetermined amount of common stock. **Office**—40 Leonard St., New York City. **Underwriter**—To be named.

Arizona P. S. Co. Offers Rights

Arizona Public Service Co. is offering to the holders of its common stock rights to subscribe at $36.50 per share for 333,400 additional shares at the rate of one share for each ten shares held of record on May 24, 1960. The subscription offer will expire at 3:30 p. m., Eastern Daylight Time, on June 14, 1960.

An underwriting group headed jointly by The First Boston Corp. and Blyth & Co., Inc. will underwrite the offering.

The company will use the proceeds from the sale of the new shares for construction purposes and payment of loans incurred for construction. The company estimates that increasing demand for electric power and gas will require the spending of approximately $30,000,000 for expansion in 1960, $52,000,000 in 1961 and $57,000,000 in 1962.

Adjusted for the proposed sale of the 333,400 additional shares, the company will have outstanding 3,667,397 shares of common stock of $5 par value along with 814,199 shares of preferred stock and $96,921,000 of indebtedness.

The company's service area extends to 10 of Arizona's 14 counties and covers approximately 40,000 square miles. During the 12 months ended Feb. 29, 1960 about 73.6% of its operating revenue was derived from the sale of electricity and 26.4% from the sale of gas. For the 12 months to Feb. 29 total operating revenues were $65,204,000 and net income $8,198,000, equal to $2.01 per common share.

The company has paid dividends on the common stock in each year since 1920. The most recent dividend at the quarterly rate of 30 cents per share has been declared for payment on June 1, 1960 to stockholders of record April 29, 1960. This dividend will not be payable on the shares currently offered.

Straza Industries Stock Offered

J. A. Hogle & Co. on May 26 publicly offered 230,000 shares of $1 par value capital stock of Straza Industries at $5.50 per share.

The company was incorporated in California on Nov. 26, 1945, and maintains its executive offices and principal manufacturing plant at 790 Greenfield Drive, El Cajon, Calif., approximately 20 miles east of downtown San Diego.

The company is engaged in the business of manufacturing component parts and assemblies for missiles and jet engines, principally to customers' specifications on a variety of raw materials and parts.

To enlarge its capabilities in the general field of missile components, and systems, the company is now developing an electronics organization which it plans to have in operation by the end of 1960.

Los Angeles Bond Club Field Day

LOS ANGELES, Calif.—The Bond Club of Los Angeles will hold its Annual Field Day on Friday, June 3, at the Oakmont Country Club in Glendale, Field Day Chairman Verdon C. Smith, of Lester, Ryons & Co., has announced. Beginning at 8:30 a.m., when golfers tee off for their tournament, members will participate in a full schedule of Field Day activities, concluding with a dinner for the membership.

Bond Club committeemen assisting in preparations for the Field Day included Donald M. Wright, of Paine, Webber, Jackson & Curtis; Edmund M. Adams, of Crowell, Weedon & Co.; Richard A. Miller, of Revel Miller & Co., Inc.; Edward K. Dantler, Jr., of Hugh W. Long & Co.; Peter J. Eichler of Bateman, Eichler & Co.; Francis S. McComb, of Blythe & Co., Inc.; John M. Bush, of Dean Witter & Co.; Fred H. Denison, of Calvin Bullock; George B. Jones, Jr., of Mitchum, Jones & Templeton; Charles F. Sill, of William R. Staats & Co.; Lawrence M. Tilton of Vance, Sanders & Co.; Ralph E. Phillips, of Dean Witter & Co.; Edward M. Harbison, of Harbison & Henderson; William T. Walker, Jr., of William R. Staats & Co.; Allerton H. Jeffries, of Jeffries Banknote Co.; and David C. Pearson, of Eastman Dillon, Union Securities & Co.

Trust Debens. Offered by Banks For Cooperatives

The Banks for Cooperatives offered on May 20 a new issue of $100,000,000 of 4.45% consolidated collateral trust debentures, due Dec. 1, 1960, at par. The offering is being made through John T. Knox, Fiscal Agent for the banks, and a nationwide group of securities dealers.

Proceeds from the financing will be used to retire $109,000,000 of 5.15% debentures due June 1, 1960.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated Steel operations (per cent capacity)	May 28	§66.9	*71.3	77.6	93.6
Equivalent to—					
Steel ingots and castings (net tons)	May 28	§1,906,000	*2,031,000	2,210,000	2,650,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	May 13	6,793,810	6,771,210	7,031,760	7,177,525
Crude runs to stills—daily average (bbls.)	May 13	¶8,034,000	7,788,000	7,898,000	7,684,000
Gasoline output (bbls.)	May 13	27,964,000	26,924,000	28,472,000	26,821,000
Kerosene output (bbls.)	May 13	2,496,000	2,010,000	2,395,000	1,824,000
Distillate fuel oil output (bbls.)	May 13	11,762,000	11,636,000	12,249,000	12,335,000
Residual fuel oil output (bbls.)	May 13	6,065,000	5,697,000	6,761,000	6,240,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	May 13	216,059,000	218,772,000	224,797,000	206,616,000
Kerosene (bbls.) at	May 13	21,947,000	21,468,000	18,853,000	22,513,000
Distillate fuel oil (bbls.) at	May 13	85,933,000	83,501,000	76,378,000	89,639,000
Residual fuel oil (bbls.) at	May 13	38,263,000	38,705,000	39,091,000	54,629,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	May 14	639,954	641,703	622,635	692,996
Revenue freight received from connections (no. of cars)	May 14	541,622	551,838	552,553	581,689
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	May 19	$498,000,000	$385,800,000	$758,200,000	$468,200,000
Private construction	May 19	289,200,000	206,000,000	529,600,000	304,200,000
Public construction	May 19	208,800,000	179,800,000	228,600,000	164,000,000
State and municipal	May 19	178,200,000	140,600,000	200,600,000	145,900,000
Federal	May 19	30,600,000	39,200,000	28,000,000	18,100,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	May 14	8,195,000	8,275,000	8,810,000	8,345,000
Pennsylvania anthracite (tons)	May 14	296,000	278,000	354,000	324,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	May 14	134	156	156	137
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	May 21	13,468,000	13,350,000	13,213,000	12,931,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	May 19	313	304	283	259
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	May 17	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	May 17	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	May 17	$33.17	$33.17	$33.50	$34.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	May 18	32.600c	32.600c	32.600c	31.200c
Export refinery at	May 18	29.975c	30.550c	31.325c	28.250c
Lead (New York) at	May 18	12.000c	12.000c	12.000c	11.000c
Lead (St. Louis) at	May 18	11.800c	11.800c	11.800c	10.800c
‡Zinc (delivered) at	May 18	13.500c	13.500c	13.500c	11.500c
Zinc (East St. Louis) at	May 18	13.000c	13.000c	13.000c	11.000c
Aluminum (primary pig. 99.5%) at	May 18	26.000c	26.000c	26.000c	24.700c
Straits tin (New York) at	May 18	99.875c	99.250c	99.000c	102.250c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	May 24	84.36	84.50	83.44	83.75
Average corporate	May 24	84.81	84.94	85.20	86.78
Aaa	May 24	89.23	89.51	89.51	90.20
Aa	May 24	87.32	87.32	87.59	88.67
A	May 24	84.17	84.43	84.81	86.51
Baa	May 24	78.90	78.90	79.60	82.27
Railroad Group	May 24	82.40	82.52	82.77	85.98
Public Utilities Group	May 24	85.20	85.33	85.98	85.72
Industrials Group	May 24	86.65	86.91	87.18	88.95
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	May 24	4.13	4.11	4.23	4.10
Average corporate	May 24	4.80	4.79	4.77	4.65
Aaa	May 24	4.47	4.45	4.45	4.40
Aa	May 24	4.61	4.61	4.59	4.51
A	May 24	4.85	4.83	4.80	4.67
Baa	May 24	5.28	5.28	5.22	5.00
Railroad Group	May 24	4.99	4.98	4.96	4.71
Public Utilities Group	May 24	4.77	4.76	4.71	4.73
Industrials Group	May 24	4.66	4.64	4.62	4.49
MOODY'S COMMODITY INDEX	May 24	380.6	382.0	378.3	386.2
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	May 14	303,573	345,576	299,606	282,974
Production (tons)	May 14	311,066	312,547	324,743	322,778
Percentage of activity	May 14	94	93	95	96
Unfilled orders (tons) at end of period	May 14	468,803	475,187	429,286	485,085
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	May 20	110.29	110.95	110.36	110.43
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Apr. 29	2,107,250	2,268,570	1,827,240	2,677,230
Short sales	Apr. 29	396,730	405,650	317,230	459,070
Other sales	Apr. 29	1,753,490	1,955,400	1,470,190	2,180,500
Total sales	Apr. 29	2,150,220	2,361,050	1,787,420	2,639,570
Other transactions initiated off the floor—					
Total purchases	Apr. 29	347,180	370,460	271,370	427,870
Short sales	Apr. 29	63,550	44,700	38,140	45,100
Other sales	Apr. 29	375,050	370,130	261,370	400,250
Total sales	Apr. 29	438,600	414,830	299,510	445,350
Other transactions initiated on the floor—					
Total purchases	Apr. 29	697,700	716,082	703,440	709,890
Short sales	Apr. 29	125,120	104,820	98,170	104,640
Other sales	Apr. 29	681,124	727,275	530,212	862,515
Total sales	Apr. 29	806,244	827,095	628,382	967,155
Total round-lot transactions for account of members—					
Total purchases	Apr. 29	3,152,130	3,355,112	2,802,050	3,814,990
Short sales	Apr. 29	585,400	555,170	453,540	608,810
Other sales	Apr. 29	2,809,664	3,047,805	2,261,772	3,443,265
Total sales	Apr. 29	3,395,064	3,602,975	2,715,312	4,052,075
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Apr. 29	1,743,783	1,894,274	1,468,371	2,197,339
Dollar value	Apr. 29	$81,603,149	$95,585,664	$74,846,090	$123,309,784
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Apr. 29	1,477,449	1,643,615	1,314,930	1,886,225
Customers' short sales	Apr. 29	17,408	14,562	10,595	7,203
Customers' other sales	Apr. 29	1,460,041	1,629,053	1,304,335	1,879,022
Dollar value	Apr. 29	$69,299,389	$80,079,227	$66,261,004	$102,481,736
Round-lot sales by dealers—					
Number of shares—Total sales	Apr. 29	419,560	438,980	388,690	465,730
Short sales	Apr. 29	------	------	------	------
Other sales	Apr. 29	419,560	438,980	388,690	465,730
Round-lot purchases by dealers— Number of shares	Apr. 29	612,180	647,870	525,990	701,140
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	Apr. 29	739,730	692,620	573,180	672,960
Other sales	Apr. 29	14,700,580	14,745,520	11,949,250	17,650,670
Total sales	Apr. 29	15,440,310	15,438,140	12,522,430	18,323,630
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	May 17	119.8	119.9	120.0	119.6
Farm products	May 17	90.7	91.5	91.2	90.6
Processed foods	May 17	107.3	107.3	106.8	107.7
Meats	May 17	97.4	97.1	95.9	102.4
All commodities other than farm and foods	May 17	128.4	128.4	128.6	126.0

*Revised figure. ¶Includes 1,046,000 barrels of foreign crude runs. §Based on new annual capacity of 148,570,970 tons as of Jan. 1, 1960 as against Jan. 1, 1959 basis of 147,633,670 tons. †Number of orders not reported since introduction of Monthly Investment plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
ALUMINUM (BUREAU OF MINES):			
Production of primary aluminum in the U. S. (in short tons)—Month of February	156,825	164,023	142,116
Stocks of aluminum (short tons) end of Feb.	117,142	127,532	183,827
AMERICAN IRON AND STEEL INSTITUTE:			
Steel ingots and steel for castings, produced (net tons)—Month of April	9,771,000	11,564,683	11,281,920
Shipments of steel products (net tons)—Month of March	7,965,881	8,100,000	8,117,688
AMERICAN RAILWAY CAR INSTITUTE— Month of April:			
Orders for new freight cars	5,551	1,959	3,736
New freight cars delivered	5,579	5,950	3,741
Backlog of cars on order and undelivered (end of month)	41,003	42,131	35,479
BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of April (000's omitted)	$226,007,000	$245,695,000	$225,362,000
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of April 30:			
Imports	$373,382,000	$363,561,000	$291,951,000
Exports	460,595,000	413,085,000	347,864,000
Domestic shipments	11,559,000	10,083,000	13,793,000
Domestic warehouse credits	97,293,000	133,746,000	33,842,000
Dollar exchange	127,893,000	200,924,000	77,792,000
Based on goods stored and shipped between foreign countries	265,506,000	244,399,000	263,283,000
Total	$1,336,228,000	$1,365,798,000	$1,028,525,000
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of April	15,446	17,437	17,615
CASH DIVIDENDS—PUBLICLY REPORTED BY U. S. CORPORATIONS — U. S. DEPT. OF COMMERCE—Month of April (000's omitted)	$870,000	$1,893,000	$810,700
COAL EXPORTS (BUREAU OF MINES)— Month of March:			
U. S. exports of Pennsylvania anthracite (net tons)	90,204	104,595	108,423
To North and Central America (net tons)	87,400	81,325	92,920
To Europe (net tons)	2,804	13,851	15,503
To South American (net tons)	------	9,358	------
COPPER INSTITUTE—For month of April:			
Copper production in U. S. A.—			
Crude (tons of 2,000 pounds)	118,850	*116,680	112,663
Refined (tons of 2,000 pounds)	153,053	*131,308	137,490
Deliveries to fabricators—			
In U. S. A. (tons of 2,000 pounds)	129,663	*126,776	135,233
Refined copper stocks at end of period (tons of 2,000 pounds)	63,373	61,598	74,323
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE—U. S. DEPT. OF LABOR—Month of April:			
Weekly earnings—			
All manufacturing	$89.83	*$90.91	$89.87
Durable goods	97.60	*98.74	97.75
Nondurable goods	79.31	*79.93	79.00
Hours—			
All manufacturing	39.4	*39.7	40.3
Durable goods	40.0	*40.3	40.9
Nondurable goods	38.5	*38.8	39.5
Hourly earnings—			
All manufacturing	$2.28	$2.29	$2.23
Durable goods	2.44	2.45	2.39
Nondurable goods	2.06	2.06	2.00
INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—1947-49=100—Month of April:			
Seasonally adjusted	109	109	107
Unadjusted	109	110	107
INTERSTATE COMMERCE COMMISSION—			
Index of Railway Employment at middle of April (1947-49=100)	62.6	61.7	64.9
METAL OUTPUT (BUREAU OF MINES)— Month of March:			
Mine production of recoverable metals in the United States:			
Gold (in fine ounces)	117,447	*108,652	135,934
Silver (in fine ounces)	2,858,903	*2,370,150	2,982,254
Copper (in short tons)	95,732	*75,190	98,036
Lead (in short tons)	24,865	*22,433	21,129
Zinc (in short tons)	42,084	*38,019	36,424
NEW CAPITAL ISSUES IN GREAT BRITAIN MIDLAND BANK LTD.—Month of April	£29,944,000	£53,761,000	£46,298,000
RYE CONDITION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—			
As of May 1	89%	86%	84%
SELECTED INCOME ITEMS OF U. S. CLASS I RYS. (Interstate Commerce Commission)— Month of February:			
Net railway operating income	$42,245,675	$43,467,969	$39,653,986
Other income	22,252,971	26,848,983	20,344,796
Total income	$64,498,646	$70,316,952	$59,998,782
Miscellaneous deductions from income	4,850,779	4,595,776	4,362,633
Income available for fixed charges	$59,647,867	$65,721,176	$55,636,149
Total fixed charges	30,986,754	31,259,569	31,424,081
Income after fixed charges	$28,661,113	$34,461,607	$24,212,068
Other deductions	4,042,446	4,084,633	4,285,805
Net income	$24,618,667	$30,376,974	$19,926,263
Depreciation (way & structure & equipment)	51,950,256	51,896,608	50,670,104
Federal income taxes	17,039,318	16,993,611	15,294,772
Dividend appropriations:			
On common stock	29,863,329	24,092,557	28,640,569
On preferred stock	7,818,639	4,386,522	8,231,205
Ratio of income to fixed charges	1.92	2.10	1.77
TIN—CONSUMPTION OF PRIMARY AND SECONDARY TIN IN THE UNITED STATES (BUREAU OF MINES)—Month of February (in long tons):			
Stocks beginning of period	37,795	35,510	30,695
Receipts	4,240	9,755	7,815
Supply	42,035	45,265	38,510
Stocks at end of period	34,640	37,795	31,545
Total processed	7,395	7,470	6,965
Intercompany scrap transactions	115	70	180
Consumed in manufacturing	7,280	7,400	6,785
Primary	4,760	4,570	4,245
‡Secondary	2,520	2,830	2,540

‡Includes tin content of imported tin-based alloys.

	Latest Month	Previous Month	Year Ago
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of April:			
Net sales	------	------	------
Net purchases	$16,355,500	$43,081,500	$43,951,000
WINTER WHEAT PRODUCTION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—As of May 1 (bushels)	991,618,000	976,957,000	923,449,000

COMING EVENTS

IN INVESTMENT FIELD

May 19-20, 1960 (Chicago, Ill.)
Exempters annual Field Day May 20 at Nordic Hills Country Club, preceded by party May 19 at Sherman Hotel Downtown Club.

May 19-20, 1960 (Nashville, Tenn.)
Security Dealers of Nashville Spring Party; cocktails and dinner May 19 at Hillwood Country Club; outing May 20 at Belle-meade Country Club.

May 20, 1960 (Baltimore, Md.)
Baltimore Security Traders Association annual spring outing at Maryland Country Club.

May 20, 1960 (Pittsburgh, Pa.)
Western Pennsylvania Group of Investment Bankers Association Meeting at Rolling Rock Club, Ligonier, Pa.

May 21, 1960 (New York City)
Security Traders Association of New York Glee Club dinner dance.

May 26-28, 1960 (Virginia Beach, Va.)
Bond Club of Virginia annual party at Cavalier Hotel.

May 28, 1960 (Dallas, Texas)
Dallas Security Dealers Association annual spring party at the Northwood Club.

June 2, 1960 (New York City)
Security Traders Association of New York Bowling League annual dinner at the Coachman, 13 William St.

June 2-5, 1960 (Ponte Vedra, Fla.)
Southern Group of Investment Bankers Association meeting.

June 3, 1960 (Baltimore, Md.)
Bond Club of Baltimore spring outing at Green Spring Country Club.

June 3, 1960 (Chicago, Ill.)
Bond Club of Chicago 47th annual field day at Knollwood Club.

June 3, 1960 (Connecticut)
Security Traders Association of Connecticut summer outing at Shuttle Meadow Country Club, New Britain, Conn.

June 3, 1960 (Detroit, Mich.)
Bond Club of Detroit spring golf tournament at Essex Golf & Country Club, Essex, Ont., Canada.

June 3-5, 1960 (Los Angeles, Calif.)
Security Traders Association of Los Angeles spring party at the Riviera, Palm Springs.

June 3, 1960 (Los Angeles, Calif.)
Bond Club of Los Angeles annual field day at the Oakmont Country Club, Glendale, Calif.

June 3, 1960 (New York City)
Bond Club of New York annual Field Day at the Sleepy Hollow Country Club, Scarborough, N. Y.

June 3, 1960 (Philadelphia, Pa.)
Philadelphia Securities Association annual outing at Aronomink Golf Club; tennis at Merion Cricket Club, Haverford, Pa.

June 9, 1960 (Des Moines, Iowa)
Iowa Investment Bankers Silver Anniversary field day at the Wakonda Club.

June 10, 1960 (New York City)
Municipal Bond Club of New York annual field day at the Westchester Country Club, Rye, N. Y.

June 10, 1960 (Philadelphia, Pa.)
Investment Traders Association of Philadelphia summer outing at Overbrook Country Club, Radnor Township, Pa.

June 10, 1960 (Pittsburgh, Pa.)
Pittsburgh Securities Traders Association spring outing at Shannopin Country Club.

June 15-16, 1960 (Minneapolis, Minn.)
Twin City Bond Club 39th annual picnic and outing at White Bear Yacht Club (preceded by a cocktail party June 15th at the Nicollet Hotel).

Robinson & Co. Makes Appts.

PHILADELPHIA, Pa. — Robinson & Co., Inc., 15th & Chestnut Sts., members of the New York Stock Exchange and other leading exchanges, has announced that Eugene Arnold, Jr. has been appointed executive Vice-President; Frank Brodsky, Vice-President in charge of Mutual funds; Joseph A. Geiger Vice-President in charge of underwriting department; Harris Shapiro, Vice-President in charge of analytical department, and Sol Tutelman, Vice-President in charge of sales personnel.

Jaffe Fund Agency

Alfred I. Jaffe is engaging in a securities business from offices at 55 John Street, New York City, under the firm name of Jaffe Mutual Fund Agency, Inc.

Form Oil Investors Ltd

Oil Investors Limited has been formed with offices at 230 Park Avenue, New York City. Officers are Robert B. Keljikan, president John G. Keljikan, vice president.

DIVIDEND NOTICES

Atlas Corporation
33 Pine Street, New York 5, N. Y.

Dividend No. 16
on 5% Cum. Preferred Stock

- Regular quarterly of 25¢ per share
- Payable June 15, 1960
- Record June 1, 1960

WALTER G. CLINCHY, *Treasurer*

May 17, 1960

THE COLORADO FUEL AND IRON CORPORATION

Dividend Notice

The Board of Directors of The Colorado Fuel and Iron Corporation today, Wednesday, May 25, 1960, declared a 2 per cent common stock dividend payable July 8, 1960 to common stockholders of record on June 6, 1960.

The Board of Directors also declared the regular quarterly dividend of 62½ cents per share on the series A $50 par value preferred stock and 68¾ cents per share on the series B $50 par value preferred stock. These dividends are payable June 30 to holders of record at the close of business on June 6.

Those common stockholders who are entitled to receive fractional-share interests as a result of the common stock dividend will be given an option to sell their fractional-share interest or to buy a fractional-share interest sufficient to round out their stock dividend to the nearest full share. The Marine Midland Trust Company of New York has been appointed agent for handling such purchases and sales which will be made at the instruction of and for the account and risk of, such holders. The period in which such sales or purchases may be made will expire August 12, 1960. Any fractional-share interests remaining outstanding after August 12, 1960 will be sold and the cash proceeds forwarded to the holders of fractional-share interests.

It is expected that this stock dividend will have no effect on the current conversion price of the Corporation's series A Sinking Fund Debentures, 4⅞ per cent, convertible, due January 31, 1977, and that the current conversion price will remain unchanged at $27.00 per share.

D. C. McGREW, Secretary.

CITY INVESTING COMPANY
25 Broad Street, New York 4, N. Y.

The Board of Directors of this company on May 18, 1960, declared the regular quarterly dividend of $1.375 per share on the outstanding 5½% Series Cumulative Preferred Stock of the company payable July 1, 1960, to stockholders of record at the close of business on June 17, 1960.

JOHN A. KENNEDY,
Vice President & Secretary

GEORGE W. HELME COMPANY
9 Rockefeller Plaza, New York 20, N. Y.

On May 25, 1960, a quarterly dividend of 43¾ cents per share on the Preferred Stock, and a dividend of 40 cents per share on the Common Stock, were declared, payable July 1, 1960, to stockholders of record at the close of business June 10, 1960.

P. J. NEUMANN, Secretary

INTERNATIONAL SALT COMPANY

DIVIDEND NO. 184

A dividend of ONE DOLLAR a share has been declared on the capital stock of this Company, payable July 1, 1960, to stockholders of record at the close of business on June 15, 1960. The stock transfer books of the Company will not be closed.

HERVEY J. OSBORN
Exec. Vice Pres. & Sec'y.

INTERNATIONAL HARVESTER COMPANY

The Directors of International Harvester Company have declared quarterly dividend No. 181 of sixty cents (60¢) per share on the common stock, payable July 15, 1960 to stockholders of record at the close of business on June 15, 1960.

GERARD J. EGER, Secretary

KENNECOTT COPPER CORPORATION
161 East 42d Street, New York, N.Y.

May 20, 1960

At the meeting of the Board of Directors of Kennecott Copper Corporation held today, a cash distribution of $1.25 per share was declared, payable on June 22, 1960, to stockholders of record at the close of business on June 1, 1960.

PAUL B. JESSUP, Secretary

BENEFICIAL FINANCE CO.

124th CONSECUTIVE QUARTERLY COMMON STOCK CASH DIVIDEND

The Board of Directors has declared cash dividends on
Common Stock—$.25 per share
5% Cumulative Preferred Stock Semi-annual — $1.25 per share
payable June 30, 1960 to stockholders of record at the close of business June 10, 1960.

Over 1,200 offices in U. S., Canada and England

BENEFICIAL FINANCE SYSTEM

Wm. E. Thompson
Secretary
May 25, 1960

NATIONAL STEEL Corporation

122nd Consecutive Dividend

The Board of Directors at a meeting on May 17, 1960, declared a quarterly dividend of seventy-five cents per share on the capital stock, which will be payable June 13, 1960, to stockholders of record May 26, 1960.

PAUL E. SHROADS
Senior Vice President

TEXAS GULF SULPHUR COMPANY

155th Consecutive Quarterly Dividend

The Board of Directors has declared a dividend of 25 cents per share on the 10,020,000 shares of the Company's capital stock outstanding and entitled to receive dividends, payable June 15, 1960, to stockholders of record at the close of business May 31, 1960.

E. F. VANDERSTUCKEN, JR.,
Secretary.

SUNDSTRAND CORPORATION

DIVIDEND NOTICE

The Board of Directors declared a regular quarterly dividend of 25¢ per share on the common stock, payable June 20, 1960, to shareholders of record June 10, 1960.

G. J. LANDSTROM
Vice President-Secretary

Rockford, Illinois
May 17, 1960

FLORIDA . . . NEW ACCOMMODATIONS NEW ATTRACTIONS FOR THE BIGGEST SUMMER SEASON EVER

FLORIDA POWER & LIGHT COMPANY
MIAMI, FLORIDA

DIVIDEND NOTICE

A quarterly dividend of 24c per share has been declared on the Common Stock of the Company, payable June 22nd, 1960 to stockholders of record at the close of business on May 27th, 1960.

ROBERT H. FITE
President

FLORIDA . . . UNEXCELLED CLIMATE FOR BUSINESS AND INDUSTRY!

P.O. Box 1-3100
MIAMI, FLORIDA

TEXAS UTILITIES COMPANY

DIVIDEND NOTICE

The Board of Directors today declared a dividend of 48 cents per share on the Common Stock of the Company, payable July 1, 1960 to stockholders of record at the close of business June 1, 1960.

D. W. JACK
Secretary

May 20, 1960

UNITED GAS CORPORATION

SHREVEPORT, LOUISIANA

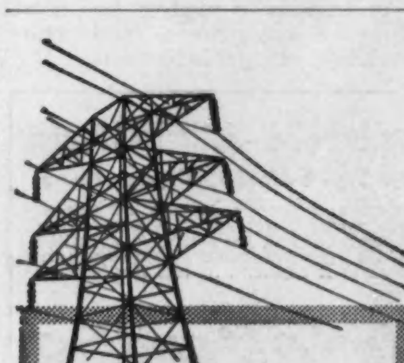
Dividend Notice

The Board of Directors has this date declared a dividend of thirty-seven and one-half cents (37½¢) per share on the Common Stock of the Corporation, payable July 1, 1960, to stockholders of record at the close of business on June 10, 1960.

B. M. BYRD
Secretary

May 24, 1960

UNITED GAS
SERVING THE
Gulf South



Southern California Edison Company

DIVIDENDS

The Board of Directors has authorized the payment of the following quarterly dividends:

ORIGINAL PREFERRED STOCK
Dividend No. 204
65 cents per share;

CUMULATIVE PREFERRED STOCK, 4.32% SERIES
Dividend No. 53
27 cents per share.

The above dividends are payable June 30, 1960, to stockholders of record June 5. *Checks will be mailed from the Company's office in Los Angeles, June 30.*

P. C. HALE, *Treasurer*

May 19, 1960

Edison

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — Although there is strong hope and belief in Washington a shooting war will not be touched off, the next 30 days is going to be "touch and go."

Soviet Premier Nikita S. Khrushchev has the world stage now, and obviously he plans to heap all the hate and division he can on the Eisenhower Administration. The real danger of a world conflagration lies in the fact that the world's No. 1 Communist may go too far to turn back.

The big dilemma in the Nation's Capital is why Premier Khrushchev went into such a vitriolic attack on the United States over the U-2 intelligence plane or spy plane, when we have been sending similar craft over Soviet territory for four years. The Kremlin knew this.

The Soviet military forces have been trying to shoot down these U-2 planes ever since they were discovered three years ago, but without success.

Assuming there will be no shooting war, the American business man can get prepared for a long, long cold war, perhaps 25 years or so. This appears certain regardless of what political party occupies the White House.

Political Reaction

Defense spending and appropriations by Congress are certain to rise instead of decreasing as was hoped only a few months ago. The Pentagon's market for hard goods is the largest single market in all the world, and it is likely to grow. The market, of course is complex by the changing conditions, and the necessity of specialization.

Not only did the collapse of the Summit Conference bring about renewed strained conditions between the Western World and the Communist leaders, but the U-2 plane incident has stirred up some political fury among some Democrats.

A few Democratic politicians such as Democratic Presidential hopeful Adlai E. Stevenson, and a handful of Senators and Representatives, have already turned their own sound and fury on the Eisenhower Administration for what they call the Big Blunder.

Some of the observers, particularly those left of center, are already maintaining that the political goose of Vice-President Richard M. Nixon has been cooked. There were numerous observers in Washington who had contended that the Vice-President's chances at the November 8 election were tided in with the success or failure of the Summit.

Full Investigation Sought

Some Capitol Hill critics attacked sharply President Eisenhower's pre-Paris trip statement that if the Summit lasted longer than he expected, he might let Mr. Nixon sit in for him while he (Eisenhower) flew back to Washington to handle the heavy agenda growing out of the closing weeks of Congress.

The President's statement evoked a loud howl from a few Democrats who charged that Mr. Eisenhower was seeking to give Mr. Nixon an advantage over the Democratic Presidential nominee, whomever he might be.

Now in an effort to turn the Summit conference failure into a full-blown political issue and make the most of it for the Democrats, Chairman J. William Fulbright of the Senate Foreign Relations Committee is advocating a full investigation.

The American people might take a hand in the whole thing and speak out whether or not they want an all-out inquiry. The whole question boils down to all-out secrecy and concealment by the Soviet Union. Our people do not want another Pearl Harbor. If Russia would agree to place more of her cards on the table where all could take a look, the tension around the world would ease.

"Calculated Risks"

Meanwhile, until power mad Communists, who want to rule the world, change their concealment attitude, perhaps an overwhelming majority of the people of this Nation want and demand every bit of intelligence that we can get from the Soviets. The President only promised to suspend the U-2 plane flights over Russian territory. He has not said they would be eliminated.

Certainly the timing of the U-2 flight and the subsequent confusing and contradictory statements were unfortunate for our side just before the Summit, but all intelligence operations are calculated risks. Only the naive would dispute the Russians are carrying on a constant round of spying activities in this country.

While some Democrats are jubilant over the fact that the Republicans are going to have to find a new Presidential campaign slogan as a result of the tense world situation, Republicans are not yet ready to throw in the sponge. It was no secret Republicans had planned to campaign this fall on a "peace and prosperity" theme.

No one at this time can tell whether or not the spy plane incident will be a major issue this fall. Our foreign policy, which should be carried out on a bipartisan basis, could become an issue, however.

Farley vs. Stevenson

There are numerous Members of Congress on the Democratic side of the aisles who agree with James A. Farley, the former Democratic National Committeeman, who replied to former Governor Stevenson, twice loser to President Eisenhower in his race for the Presidency. Mr. Farley asked the Democratic National Convention at Los Angeles, which convenes in a little more than six weeks from now, to repudiate Mr. Stevenson's "unwarranted criticism" of the Eisenhower Administration.

Paul Butler, the chairman of the Democratic National Committee, who has been repudiated by numerous segments of the Democratic party, charged that the U-2 affair had showed up the Eisenhower Administration. In egging on an investigation, he said the Democrats have a responsibility to the nation to probe the whole matter.

Mr. Butler is on his way out of the Democratic leadership circle. He has long been "persona non grata" with Southern Democrats, and even the Hubert Humphrey Democrats believe that he is bad for the party. The South Bend, Ind., lawyer will step aside immediately after adjournment of the Los Angeles convention.

Although some politicians in the Democratic camp are expected to make the most of the U-2 affair, perhaps if they checked with their next door neighbors and those up the street, they might temper their remarks.

President Eisenhower on arriving back to Washington was greeted warmly by one of the largest turnouts in recent Washington history as he came down Pennsylvania Ave. and stopped at the White House. Of course, he was not greeted as a conquering hero, but he was given a hearty welcome by many, many thousands of people in the nation's capital who represented perhaps every community in the United States. Metropolitan Washington is comprised of people from just about every city, town and hamlet in America. The area is a city today of more than 2,100,000 persons.

The ramifications of what took place in Paris is another indication that 1960 is going to be one of the most interesting years in a long, long time.

Morse's Bitter Defeat

During the past week Senator John F. Kennedy of Massachusetts, who might be Mr. Nixon's opponent in the big Presidential sweepstakes, proved once again he is a vote-getter with wide appeal. Even though Senator Wayne Morse, the "favorite son," was on the Oregon ballot, Senator Kennedy was in command of the preferential primary in the Pacific Coast state from the beginning. Bitter Senator Morse went down to a humiliating defeat in his home state.

In another major political development during the past few days, Virginia Democrats in convention voted to send their delegation to Los Angeles instructed to vote for Senate Majority Leader Lyndon B. Johnson of Texas, who appears to be at this time the strongest rival of Senator Kennedy for the nomination.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

"Think he was kidding us? I always thought the Commission covered everything."

Phila. Internat'l Investment Corp.

PHILADELPHIA, Pa.—The Philadelphia National Bank has established a new subsidiary, Philadelphia International Investment Corp., for the purpose of making loans and equity investments in foreign business enterprises, Frederic A. Potts, President of PNB and President and Chairman of the new subsidiary, has announced.

Formed under the provisions of the so-called "Edge Act" (Section 25 A of the Federal Reserve Act), the new corporation is expected to assist in broadening the already extensive activities of the Philadelphia National Bank in International Financing, Mr. Potts explained. Philadelphia International will not restrict its investments to any particular region, but will consider opportunities anywhere in the free world outside the U. S. A.

Other officers of Philadelphia International Investment Corp. are J. B. Husted and Frederick C. Rieck, both Vice-Presidents. Mr. Husted has had many years of experience in the foreign operations of the bank and is currently head of its foreign department. Mr. Rieck currently heads the PNB Commodity Department, and would also serve as Secretary and Treasurer of Philadelphia International. He would be responsible for day-to-day operations of the new unit. In addition to the officers named, the corporation will have as Directors, John McDowell, George B. Kneass and E. Lawrence Worstall. Mr. McDowell is Executive Vice-President of the parent bank and Messrs. Kneass and Worstall are Senior Vice-Presidents. Other Directors with overseas knowledge and interests will be named from the business community.

Northeastern Inv. Corp.

Northeastern Investing Corporation is engaging in a securities business from offices at 99 Wall Street, New York City. Officers are Theodore B. Verdon, Jr., president; and Henry Chin, vice president and Secretary-treasurer.